



# ILLINOIS VALLEY COMMUNITY COLLEGE

## COURSE OUTLINE

**DIVISION: Natural Sciences and Business**

**COURSE: ACT 1240 Payroll Accounting**

Date: Fall 2022

Credit Hours: 2

*Complete all that apply or mark "None" where appropriate:*

Prerequisite(s): ACT 1210 or instructor consent

Enrollment by assessment or other measure?  Yes  No

If yes, please describe:

Corequisite(s): None

Pre- or Corequisite(s): None

Consent of Instructor:  Yes  No

Delivery Method:  **Lecture**                    **2 Contact Hours** (1 contact = 1 credit hour)  
 **Seminar**                    **0 Contact Hours** (1 contact = 1 credit hour)  
 **Lab**                                **0 Contact Hours** (2-3 contact = 1 credit hour)  
 **Clinical**                    **0 Contact Hours** (3 contact = 1 credit hour)  
 **Online**  
 **Blended**  
 **Virtual Class Meeting (VCM)**

Offered:  **Fall**     **Spring**     **Summer**

**CATALOG DESCRIPTION and IAI NUMBER (if applicable):**

This course is designed to prepare students to handle payroll preparation and record keeping, as well as computation, payment, and reporting of payroll related taxes. This course will prepare students to take the Fundamental Payroll Certification exam. (Students with practical accounting experience may enroll by consent of instructor.)

**ACCREDITATION STATEMENTS AND COURSE NOTES:**

None

**COURSE TOPICS AND CONTENT REQUIREMENTS:**

1. Payroll Concepts
2. Calculations of Pay
3. Calculations of Deductions and Net Pay
4. Fringe Benefits and Other Payments
5. Retirement Plans
6. Cafeteria Plans
7. Payroll Reporting and Employment Taxes
8. Record Keeping and Payroll Practices
9. Payroll Accounting
10. Payroll Administration and Management

**INSTRUCTIONAL METHODS:**

1. Class discussion
2. Lecture
3. Exercises and Problems
4. Quizzes
5. Exams

**EVALUATION OF STUDENT ACHIEVEMENT:**

1. Read and understand text
2. Class participation
3. Complete all homework assignments
4. Quizzes
5. Exams
6. Comprehensive Payroll Project

**INSTRUCTIONAL MATERIALS:****Textbooks**

PayTrain Fundamentals, American Payroll Association

**Resources:**

American Payroll Association PayTrain

**LEARNING OUTCOMES AND GOALS:****Institutional Learning Outcomes**

- 1) Communication – to communicate effectively;
- 2) Inquiry – to apply critical, logical, creative, aesthetic, or quantitative analytical reasoning to formulate a judgement or conclusion;
- 3) Social Consciousness – to understand what it means to be a socially conscious person, locally and globally;
- 4) Responsibility – to recognize how personal choices affect self and society.

## **Course Outcomes and Competencies:**

### **1. Payroll Concepts**

- 1.1 Explain the difference between an Independent Contractor and an Employee
- 1.2 Understand the rules for classifying workers
- 1.3 Identify the types of withholding taxes
- 1.4 Identify the information required by federal law to be kept by an employer on the employee
- 1.5 Explain the Fair Labor Standards Act (FLSA) and its purpose
- 1.6 Explain the difference between Exempt and Nonexempt employees
- 1.7 Compute pay for tipped employees
- 1.8 Compute regular rate of pay
- 1.9 Compute overtime and hours worked
- 1.10 Understand the I-9 and W-4 forms

### **2. Calculations of Pay**

- 2.1 Compute Regular Pay
- 2.2 Compute Overtime Premiums
- 2.3 Compute Gross Pay
- 2.4 Compute Federal Income Tax
- 2.5 Compute Social Security and Medicare Tax
- 2.6 Compute Voluntary Deductions
- 2.7 Compute Employer Taxes
- 2.8 Compute Gross-ups

### **3. Calculations of Deductions and Net Pay**

- 3.1 Compute Involuntary Deductions including withholding orders, child support, federal tax levies, and student loan garnishments
- 3.2 Compute disposable earnings, take-home pay, and net pay

### **4. Fringe Benefits and Other Payments**

- 4.1 Know the fringe benefit rules
- 4.2 Explain the differences between taxable and nontaxable compensation
- 4.3 Identify taxable and nontaxable compensation items
- 4.3 Compute any taxes for transportation benefits including personal use of company vehicles, group-term life insurance, and bonuses

### **5. Retirement Plans**

- 5.1 Understand the differences between qualified plans and nonqualified plans
- 5.2 Identify annual compensation and contribution limits
- 5.2 Compute net pay for after-tax and pre-tax contributions to retirement plans

### **6. Cafeteria Plans**

- 6.1 Understand cafeteria plans and what benefits may be included in the plan
- 6.2 Understand the rules of flexible spending arrangements (FSA)

### **7. Payroll Reporting and Employment Taxes**

- 7.1 Explain the tax deposit requirements and frequency
- 7.2 Compute federal tax deposits
- 7.3 Prepare quarterly (Form 941) and annual tax (Form 940) returns

7.4 Prepare form W-2 and W-3

7.5 Understand how wages and withholdings are calculated for deceased employees

## **8. Record Keeping and Payroll Practices**

8.1 Describe how wages may be paid to employees

8.2 Understand payroll practices and record keeping requirements

8.3 Understand payroll systems

8.4 Identify payroll penalties for failure to file correct information

## **9. Payroll Accounting**

9.1 Demonstrate knowledge of accounting terminology

9.2 Identify correct account classifications

9.3 Perform payroll journal entries and posting procedures

9.4 Identify types of internal control for payroll

## **10. Payroll Administration and Management**

10.1 Identify proper customer service procedures

10.2 Identify effective communication techniques

10.3 Identify effective personal time management techniques