

Payroll Checklist

File IRS Form SS-4: *Application for Employer Identification Number* and obtain Federal Employer Identification Number (FEIN)

Obtain IRS Form W-4: *Employee's Withholding Allowance Certificate* for each employee

Set up Quarterly Payroll Time Sheets and Employee Payroll Records for employees

Open separate business payroll tax bank account

Consult IRS Circular E: *Employer's Tax Guide* and use tables to determine withholding tax amounts

Obtain information on any applicable state or local taxes

List Federal withholding, Social Security, Medicare, and any state or local deductions on Employee Payroll Record

Pay employees and deposit appropriate taxes in payroll tax bank account

Fill in Payroll Depository Record and Annual Payroll Summary

Pay payroll taxes

Monthly, using IRS Form 8109: *Federal Tax Deposit Coupon*, if your payroll tax liability is more than \$2,500 per quarter

Quarterly, using IRS Form 941: *Employer's Quarterly Federal Tax Return*, if your payroll tax liability is less than \$2,500 per quarter

Annually, file IRS Form 940: *Employer's Annual Federal Unemployment Tax Return (FUTA)*

Annually, prepare and file IRS Form W-2: *Wage and Tax Statement* and IRS Form W-3: *Transmittal of Wage and Tax Statements* for each employee