

SOUTHEAST COMMUNITY COLLEGE
BUSINESS DIVISION
Business Program
Revision Date: 01-22-24

I. CATALOG DESCRIPTION

Course Number: ACCT2050
Course Title: Payroll Accounting
Prerequisite(s): ACCT1200 (Principles of Accounting I)

Catalog Description: Comprehensive course in payroll accounting principles and practices. Includes the evolution of payroll laws and regulations, computation of wages and salaries and related withholdings as well as the filings of payroll reports. From the financial accounting perspective, it will cover the analysis and journalizing of various payroll transactions.

Credit Hours: 3.0
Class Hours: 45
Lab Hours: 0
Total Contact Hours: 45

II. COURSE OBJECTIVES: *Course will teach students to:*

- A. Present the federal (and state, focusing on Nebraska) rules and regulations governing employment, compensation, and payroll taxes
- B. Introduce the student to the concepts of timekeeping; computation of gross earnings; determining federal, state, and other withholdings as well as the journal entries (recording) of various payroll transactions
- C. Provide practice in all payroll operations, the preparation of payroll registers, the recording of payroll entries, and the preparation of payroll tax returns required of businesses
- D. Students will be able to complete 3 months' worth of payroll activities including yearend reports, using a payroll accounting software

III. STUDENT LEARNING OUTCOMES AND GENERAL EDUCATION LEARNING OUTCOMES

- A. Student Learning Outcomes: *Students will be able to*
 - 1. Identify the various laws that affect employers in their payroll operations and the record-keeping requirements of these laws.
 - 2. Compute employee gross wages and salaries (regular, overtime, piece work, commissions).
 - 3. Determine what constitutes an employee and what is considered compensation.
 - 4. Describe the different requirements and procedures for depositing FICA and income taxes and reporting payroll information to concerned agencies.
 - 5. Explain and understand the different types of withholding allowances and filing statuses.
 - 6. Compute the amount of federal income tax to be withheld using the percentage and wage-bracket methods.
 - 7. Compute the amount of Nebraska income taxes to be withheld using the percentage and wage-bracket methods.
 - 8. Describe and prepare the major types of income and information returns required by law for both federal and Nebraska employers.
 - 9. Determine taxable wages with regards to both federal and state unemployment taxes with focus on Nebraska employers.
 - 10. Maintain a set of payroll records, journal payroll transactions, and complete required payroll forms for a company.

11. Utilize payroll accounting software to process and report payroll transactions, including yearend activities.
 12. Understand the benefits derived from social security and unemployment.
 13. Complete a payroll project specifically using Nebraska data.
- B. General Education Learning Outcomes (GELOs)**
1. GELO 5: Analytical, Quantitative, and Scientific Reasoning
Outcome 4: Manipulate formulas, data sets, graphs, tables, etc. in a way to produce a meaningful outcome.

IV. CONTENT/TOPICAL OUTLINE

- A. The Need for Payroll and Personnel Records**
1. Fair Labor Standards Act of 1938
 2. State minimum wage and maximum wage laws
 3. Fair employment laws
 4. Federal Insurance Contributions Act (FICA)
 5. Income tax withholding Laws
 6. Unemployment tax acts
 7. Federal laws: ERISA, IRA, SEP, 401K, FMLA, IRCA
 8. Other state laws: workman's compensation and disability benefit laws
- B. Computing and Paying Wages and Salaries**
1. Labor Standards Act: definitions, minimum wage, "living wage", tips, equal pay
 2. Determination of employee's "work time"
 3. Record keeping for payroll
 4. Computation of wages and salaries
 5. Payment of wages and salaries
- C. Social Security Taxes**
1. Who is covered under FICA
 2. Calculation of taxable FICA wage bases
 3. Self-employed individuals
 4. Forms SS-4, W-4, I-9, 941, 8109-B
 5. Required returns for Social Security
 6. Deposit Requirements
 7. Penalties for failure to comply with reporting regulations
- D. Income Tax Withholding**
1. Employee-employer relationship
 2. Determination of taxable wages
 3. Taxable/nontaxable fringe benefits
 4. Pretax salary reductions
 5. Form W-4 and withholding allowances
 6. Methods of calculating federal income taxes to be withheld
 7. Supplemental wage payments
 8. Wage and tax statements
 9. State and local income tax withholdings
- E. Unemployment Compensation Taxes**
1. Federal Unemployment Tax Act (FUTA)
 2. State Unemployment Tax Act (SUTA)
 3. Unemployment compensation taxes and credits
 4. Required reporting for unemployment taxes: Deposits, Form 940
- F. Analyzing and Journalizing Payroll Transactions**
1. Payroll Register
 2. Employee Earnings Record
 3. Recording Gross Payroll and Withholdings
 4. Journal entries relating to payroll
- G. Computerized Payroll Accounting Project (Excel and payroll software for online classes)**

H. Manual Payroll Project and payroll software (Lincoln campus only)

V. INSTRUCTIONAL MATERIALS

A. Required text(s): Bieg, Bernard. Toland, Judith. *Payroll Accounting 20XX*, Current Edition Cengage.

1. DDA – Direct Digital Access. You will have access to your digital course materials on the first day of class! The SCC Bookstore has worked with publishers to get your course materials at the lowest cost. These materials are required by your instructor. If you decide that you don't want to participate, you will need to OPT-OUT of the program and be sure that you're obtaining the material on your own. If you stay opted in, you will be charged a reduced price for a digital textbook (E-book) and required code. The book charges go directly to your account at SCC for you to pay.

VI. METHODS OF PRESENTATION/INSTRUCTION

- A. Lecture
- B. Demonstration of problem solving
- C. Manual Payroll Project (Lincoln campus only)

VII. METHODS OF EVALUATION

- A. Comprehensive homework problems/Group Work
- B. Computer research
- C. In-class assignments/homework
- D. SCC STANDARD GRADING SCALE POLICY:

A+	95-100	C+	75-79
A	90-94	C	70-74
B+	85-89	D+	65-69
B	80-84	D	60-64
		F	Below 60

VIII. SPECIFIC COURSE REQUIREMENTS

- A. Course Prerequisite: Principles of Accounting I (ACCT1200)
- B. Grade Requirement: C or better