

WWW.PAYDAYPAYROLL.COM

## LOCAL BANKS

## ALL THE TECHNOLOGY OF THE BIG BOYS AND LOCAL CUSTOMER SERVICE

Most of you know how Payday Payroll Services preaches supporting and using local businesses. Now more than ever, with the large corporations distancing themselves from any shred of understanding or caring about basic customer service, we are seeing a movement back to the comfort of dealing with local companies

It's the same with banks. The disenchantment with big banks and their irresponsible behavior is spreading from *Wall Street* down to Main Street. In fact, it's even reached Hampton Roads. We would like to highlight two local banks **that both utilize Payday Payroll Services for their payrolls.**



We are the living example of a business that was forced to use national banks because of our technology demands. No more! We moved most of our commercial business to **Monarch Bank** last year and a portion to **Heritage Bank**. Now we receive all of the services and functionality we need coupled with local, know us by name, customer service.

Here are just some of **Monarch Bank's** services that we recommend to our small to medium sized business clients:

**Account Reconciliation** Save client's time in reconciling their accounts each month by uploading or inputting the checks you have issued. Makes reconciling accounts fast, easy, and convenient.

**Positive Pay** Monarch's *Positive Pay Service* allows clients to review potentially fraudulent transactions before they impact business accounts. Items that do not match your check issue file are reported online as exceptions. Stay in control by deciding to pay or return items at your convenience. (*See separate Positive Pay Offer on Back Page*)

**Business and Corporate Credit Cards** Their new credit card program provides great rewards benefits, a great rate and several reporting options to best handle business expenses

**Commercial Analysis Accounts** Monarch is currently are **paying clients an above market rate of 1%** to help clients offset any of their charges.

Contact Terri Ruby, our Monarch Treasury Manager, at (757) 389-5156 to find out about their business services

## Heritage Bank

Heritage Bank, headquartered in Norfolk, has been providing banking services to the Hampton Roads business community since 1976. Heritage offers its business clients sophisticated technology to enhance the efficiency of their banking. The Bank's lending focus is in:



- financing owner-occupied buildings, warehouses and office condos for the area's businesses
- investment properties like shopping centers
- Apartment and multi-family units.

Call a Heritage Business Banker at 757-648-1700 or visit their web site at [www.heritagebankva.com](http://www.heritagebankva.com) for more information.

## FROM THE PRESIDENT

### EVERYTHING IN MODERATION

I was always taught by my parents that everything was good in moderation. I understood that to mean that the extremes of anything, whether it was ice cream consumption or girlfriend obsessions were not healthy, but a little bit of each couldn't kill me.

I feel that we live in a political and economic climate that now considers moderation a dirty word and we live out on the extremes in both.

Right now, a top presidential candidate is dismissed as "too moderate." How can you be "too moderate?"

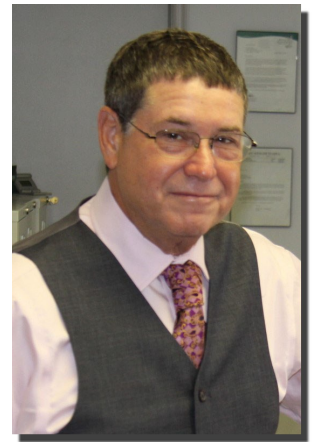
The top 1% of this country has seen their portion of the wealth skyrocket extremely while the 99% has not grown at all in a decade. Wouldn't the country have been better off with both groups growing moderately? When the middle class grows, their awesome consumption of flat screen TV's, home improvements and anything Apple trickle right back up to the 1% anyway. The last time in history the 1% held such a disproportionate share of the wealth; guillotines came out of the attic.

So now I come to interest rates. When they are in a moderate position, just like Goldilocks' porridge, not too high and not too low, they are just right. I can understand the Fed wanting to keep interest rates low enough to spur the economy and check inflation, but their theory doesn't work. Do you see a booming economy because of low interest rates?

If they are too high, the effective cost of cars, homes, and other major purchases that our economic engine requires become too high, and sales slow. But when you go extremely low, you damage the huge portion of the population that was counting on earning some income off their savings and retirement accounts to live on.

How do you "spur the economy" by taking close to 100% of the earning power away from the largest growing consumer sector of our population? Whatever good the Fed did by making sure interest rates were not high they nullified by moving to the extreme opposite position. Where are the moderates calling for somebody to meet in the middle?

I am extremely grateful to you, faithful reader, for placing a moderate bit of faith and confidence in Payday Payroll Services year after year. We are now entering our 27<sup>th</sup> year of earning your trust and keeping your business's payroll extremely trouble-free.



**Andy Kline—President**

### NOTHING'S CHANGED, HAS IT?

Payday Payroll CEO, Andy Kline (left in both photos) and Florida Regional Manager, Jeff Marbach, celebrated 40 years in 2011 since becoming college roommates in 1971. From New York to New Jersey and now Virginia and Florida, the 40 years has apparently brought about some slight changes to the two old friends, for the better. 40 years after getting together at college, they still work together every day.



## FUTA CREDIT REDUCTION ACT TO AFFECT 20 STATES



### FUTA CREDIT? WHAT IS THAT?

Under the provisions of the Federal Unemployment Tax Act (FUTA), a federal tax is levied on employers covered by the government unemployment insurance program at a rate of 6.2% on wages up to \$7,000 a year.

The law also provides a **credit against FUTA** tax liability of up to 5.4% to employers who pay state unemployment taxes correctly. Effectively, employers actually paid .08%, ( $6.2 - 5.4 = .08$ ) on the first \$7,000, or \$56 per covered employee, per year.

Employers in 21 states took out loans against the FUTA Trust fund, taken to keep their unemployment benefits solvent during a period of high unemployment. As a result, these states will have their FUTA CREDIT REDUCED for 2011 filing as a way to recover the funds still owed to pay back these loans. This will **create a retroactive .3% tax increase** for our clients in the below states that Payday Payroll will have to calculate once the last payroll of the year has been processed.

**Arkansas**

**Florida**

**Kentucky**

**North Carolina**

**New York**

**Rhode Island**

**Wisconsin**

**California**

**Georgia**

**Minnesota**

**New Jersey**

**Ohio**

**Virginia**

**Connecticut**

**Illinois**

**Missouri**

**Nevada**

**Pennsylvania**

**Virgin Islands**

Employers in Indiana will have a .6% tax credit reduction due

Employers in Michigan will have a .9% tax credit due

After the last payroll of the year has been processed, Payday Payroll will create the tax impound in order to pay on your behalf the FUTA credit reduction calculated by January 31, 2012. Right now, there are many more hectic tax bills being thrown around in Washington. We will continue to monitor the activity daily to ensure that our client's payrolls are produced correctly based on the "laws du jour" that seem to change daily at this time.

## SECUREVIEW

HIGHLY EVOLVED SECURITY

nothing but praise about our Shugo Secure Data system put in place last year in which you retrieve attachments from a secure site rather than have them included with an email.

### GO GREEN, MORE PAPERLESS, MORE SECURITY

As more and more states contemplate Cyber Negligence laws, we have made a commitment to stay ahead of the legal curve. Lately we have been culling down reports that we can email to you because they contain vital data. We have heard

nothing but praise about our Shugo Secure Data system put in place last year in which you retrieve attachments from a secure site rather than have them included with an email.

Now we will be adding a new level of security to emails that result directly from the payroll process. Instead of receiving reports in your email, you will be directed to the SecureView website where you will be able to retrieve your reports after logging in with your PAYENTRY password. Look for this in the next few weeks. We can place all your reports on site and eliminate printing more paper once you tell us you are comfortable with the system.

### WELCOME TO ALL OF OUR NEW 2012 PAYROLL CLIENTS

It is so gratifying to all the employees of **Payday Payroll Services** when we earn the trust and confidence of organizations in our area. In our Virginia Beach Data Center, phenomenal organizations like **Operation Smile, Kaufman & Canoles, Boleman Law, Johns Brothers Security, Burger Busters, Bay Disposal, and Wheeler Real Estate** are just some of the 40 non-profits, professional organizations and small to large sized businesses that made the decision to entrust our 27 year old firm with their payroll processing.

In Florida, **The Joseph Meyerhoff Senior Center, Advanced Mulch Co, Drs. Sobel & Sofman MD, and American Sun Components** are just a few of the 15 new clients who will enjoy the customer service experience of our long term Florida Manager, **Jeff Marbach** and his staff.

Thanks to all of you. We couldn't mention everyone, but you know who you are. We promised you customer service and accuracy. We think you will be with us for a long, long time.

## TOP TEN PAYROLL MISTAKES (by those who do their own payroll)

1. Misclassifying nonexempt employees
2. Failing to apply the latest laws and regulations
3. Incorrect Social Security numbers on W-2's
4. Incorrectly processing wage garnishments
5. Overreliance on software rather than knowledge
6. Time and Attendance reporting errors
7. Improper reporting of fringe benefits
8. Mistakenly treating employees as independent contractors
9. Mishandling withholding for employees who receive third party sick pay
10. Missing a deposit deadline.

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**Payday Factoid Trivia:** "31% of businesses will observe King Birthday as holiday, giving workers a paid holiday on Monday, Jan 17"

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## POSITIVE PAY

According to the new **Faces of Fraud Survey**, **check fraud** is one of the top three fraud forms plaguing banking institutions, joining the likes of phishing and payment card fraud. Sixty-three percent of survey respondents say they experienced check fraud in 2010. *Yet only 34 percent of banks and credit unions say they are well equipped to fight these crimes.*

**Monarch Bank's Positive Pay system** allows you to review potentially fraudulent transactions before they impact your business accounts. It allows you to stay in control by deciding to pay or return items at your convenience.

### HERES HOW IT WORKS FOR YOUR PAYROLL ACCOUNT

- After we process your payroll, a file is created that includes all of the check numbers and amounts of your live payroll checks.
- Payday Payroll creates the positive pay file with every payroll and sends it to you for easy upload that even- ing to Monarch Bank.
- ANY check that is not included in the file is brought to your attention when it is received by Monarch. You get to say thumbs up or thumbs down.
- Should any fraudulent check post to your account, it is not your headache. You will be reimbursed because you use Positive Pay.

**Payday Payroll uses Monarch Bank Positive Pay for every check we send out on our account. We see the fraud at- tempts all the time thwarted by it. HERE IS OUR OFFER TO YOU TO TRY POSITIVE PAY:**  
**Open a Monarch Bank Payroll Checking Account and we will waive the \$6.00 file creation fee for 6 months. We are convinced you will value the benefits of using Positive Pay to protect the money in your account. ( We also have file formats for other banks, ask us)**

Defense Against  
Check Fraud



EVERYBODY LOVES PAYDAY