

# Small Business Tips & Advice

## How To Make Your Business Pay Off

(NAPSA)—Being a strong financial manager can give your small business a big leg up.

How is that? According to the U.S. Small Business Administration, more than 50 percent of small businesses fail in the first year. Many of these failures are due to mismanaged finances—such as mishandled payroll or employee benefits.

### Tips for Taking the Pain Out of Payroll

Here are five financial management tips every small business owner can use to increase chances of long-term success.

**Make Employees More Than Just Overhead**—If your business success depends on great customer service, then good employee services are critical. Hiring workers means managing the entire employee life cycle—from hiring to retiring. It is important to understand employee benefits and ensure that paychecks are on time and error-free. Nothing causes as much ill will as an incorrect or late paycheck.

**On Money Matters, Money Really Matters**—Payroll is often the biggest part of a company's expense. There is more involved in "cutting a check" than a pen and a checkbook. Payroll management can be complicated and time consuming. Mistakes are easy to make and can have a major impact on your bottom line. In 2002 alone, businesses paid over \$175 million in back pay according to the U.S. Department of Labor. In 2003, that amount increased by 21 percent.

**Master the Rules and Regulations**—Every aspect of your

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business is extensively regulated. Each year, rules change in ways that affect employee compensation and benefits. Don't be afraid to seek help on regulations from an accountant or a professional services company.

**Get Ready for the Tax Man**—Pay corporate and payroll tax bills accurately and on time. Mistakes are very expensive; late payment penalties can cost millions. According to the IRS, one in three businesses will incur a payroll tax violation, with an average penalty of \$845!

**Don't Be Afraid to Seek the Help of Professionals**—Most small businesses grow out of passion and entrepreneurial spirit, not a desire to handle payroll. Ensuring that finances are in order allows you to focus on what you do best—your core business. There are many financial management options available, from software and online payroll services to full-service providers. Pick a solution that suits your business needs and employees' abilities and that ultimately gives you peace of mind.

For more information or resources, visit [www.payroll.com](http://www.payroll.com) or call 1-866-820-6377.