**SAMPLE PAYROLL INPUT CHECKLIST**

This checklist is designed to help payroll professionals by offering best practice recommendations for efficiently managing the payroll input process. It serves as a guide, highlighting key items to consider throughout the process. The checklist can be used to develop and implement a standardized, streamlined payroll input procedure within the organization, serve as a training resource, and be included in the standard operations manual.

The Payroll Input Checklist offers a general overview of certain payroll legislative and compliance matters, including issues related to employment and taxation laws. However, it is not intended as legal advice and should not replace consultation with legal counsel regarding your situation. While every attempt has been made to ensure the accuracy of the information provided, we recommend consulting a qualified attorney for specific legal guidance. Legal requirements can differ based on individual circumstances and jurisdiction.

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Action to be taken | | Done |
| **Payroll Schedule[[1]](#footnote-2)** | Indicate current pay-period:  Pay-period #: \_\_\_\_\_  Pay-period ending date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Pay date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    *Note:* Ensure pay period begin/end date and pay date are accurate.  If an off-cycle payroll, select the EI pay-period for reporting the insurable hours/earnings. | |  |
| **Payroll Data[[2]](#footnote-3)** | Collect all source documents for the permanent changes and pay adjustments due for input in the current pay-period.  These include, but are not limited to: | |  |
|  | ***New Hires*** | |  |
|  | Valid Social Insurance Number (SIN) |  |
| Work permit (monitor expiration date) |  |
| Personal/contact information |  |
| Federal and provincial tax forms (exemptions, credits, additional tax, etc.) |  |
| Prior election to stop C/QPP deductions (CPT30/RR-50-V) |  |
|  | | Employment status (full-time, part-time, casual, fixed-term contract) |  |
| Payroll (RP) account (full, reduced EI rate) |  |
| Date of birth |  |
| Commencement date |  |
| Position/Job code |  |
| Department/Cost center |  |
| Pay rate (regular, overtime, shift differentials) |  |
| Banking/Direct deposit information |  |
| Scheduled allowances (e.g. car) |  |
| Scheduled taxable benefits (if applicable from commencement date) |  |
| Scheduled deductions (e.g. union dues) |  |
| Standard hours (if applicable) |  |
| Rate of vacation pay/accrual, etc. |  |
|  |  | |  |
| ***Changes to employees’ information*** | |  |
|  | Legal name – as it appears on the SIN document |  |
| Marital status |  |
| Address |  |
| Banking/Direct deposit information |  |
| Updated Federal/Provincial TD forms (tax credits, additional tax deduction, no tax deduction, etc.) |  |
| SIN (temporary-to-permanent) |  |
| Election to stop C/QPP deductions (CPT30/RR-50-V) |  |
|  | |  |
| ***Updates to payroll records*** | |  |
|  | Manual and/or cancelled cheques |  |
|  | |  |
| ***Changes to employees’ status*** | |  |
|  | Commencement of a leave/temporary lay-off |  |
| Return from a leave/temporary lay-off |  |
| Stop automatic pay |  |
| Adjust standard hours |  |
|  | |  |
| ***Compensation*** | |  |
|  | Merit and/or cost of living increases |  |
| Temporary wage adjustments |  |
| Pay enhancements |  |
| Pay equity payments |  |
| Variable compensation calculations |  |
| Retroactive payments |  |
|  | | |
|  | ***Taxable Benefits*** | |  |
|  | Group insurance (enrollments, terminations, adjustments) |  |
| Automobile taxable benefit calculations |  |
| Taxable allowances/reimbursements |  |
| Gifts, awards, long-service awards, prizes |  |
| Group RRSP (employer match) |  |
|  | |  |
| ***Non-taxable payments & reimbursements*** | |  |
|  | |  |
| ***Deductions*** | |  |
|  | Legal (garnishments, family maintenance, union dues) |  |
| Company compulsory (e. g. benefit premiums, RPP contributions) |  |
| Voluntary (e.g. optional insurance, social club) |  |
| Loan repayments |  |
| Recovery of overpayments |  |
| Miscellaneous |  |
|  | |  |
| ***Special payments*** | |  |
|  | Bonus |  |
| Commission |  |
| Director fees |  |
| Top-up |  |
| Workers’ compensation (advance, salary continuance) |  |
|  | |  |
| ***Hours worked and overtime*** | |  |
|  | |  |
| ***Statutory/Public/General holiday pay calculations*** | |  |
|  | |  |
| ***Paid time off*** | |  |
|  | Vacation |  |
| Personal days |  |
| Sick days |  |
|  | |  |
| ***Terminations*** | |  |
|  | Date of termination |  |
| Reason for termination |  |
| Pro-ration of final wages and/or other remuneration owed |  |
| Calculation of earned but unused vacation |  |
| Pay-out of banked/lieu/sick time balances |  |
|  |  | Calculation of wages in lieu of notice |  |
| Calculation of severance/retiring allowance |  |
| Transfer of final payments to RRSP/RPP |  |
| Seizure of final wages per legal orders |  |
| Final expense reimbursements |  |
| Taxable benefits adjustments/continuation |  |
| Repayment of loans, wage overpayments |  |
|  | |  |
| **Data Input** | Enter the payroll data pertaining to the current pay period in the payroll system.  The data input can be completed by import(s), where the data has been converted into the required format, or through direct flow of information from integrated systems. | |  |
|  | |  |
| **Input Data Validation[[3]](#footnote-4)** | Authenticate the input payroll data for the pay period by cross-referencing it to the source documents for validity and accuracy.  For the validation of all changes, variances and discrepancies prior to finalizing the payroll, generate and review reports, including but not limited to: | |  |
|  | Personnel/Headcount/Employee list |  |
| Employee changes |  |
| Active employees with no payroll data |  |
| Inactive/terminated employees with payroll data |  |
| Payroll totals summary (balance hours) |  |
| Overtime exceptions |  |
| Direct deposits and cheques |  |
| Exceptions (e.g. duplicated records, exceeding pre-determined limits) |  |
| Reasonability and variances |  |
| *Note:* A payroll preview simulates what the final payroll would look like based on the input data. It provides an opportunity to review and balance the company totals for the current pay-period, correct errors and address warnings prior to finalizing the payroll. | |  |
|  | |  |
| **Payroll Output** |  | Finalize the payroll and generate applicable payroll output reports. |  |

In addition to validating the input data on a pay-period basis, the financial practice of performing ongoing reconciliations ensures legislative compliance, integrity and accuracy of the payroll data.

A non-exhaustive list of recommended periodic reconciliation activities follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Recommended periodic reconciliations** | | | | |
|  | ***Monthly:*** | | |  |
|  | Reconcile payroll register to: | |  |
|  | General Ledger |  |
|  | Bank Account (stale-dated/returned cheques) |  |
|  | Remittance Account |  |
| ***Quarterly:*** | | |  |
|  | Review pay and deduction codes for correct payroll mapping to GL and T4 and RL-1 slips | |  |
| Pensionable and Insurable Earnings Audit | |  |
|  | Off-cycle/manual payments |  |
|  | Incorrect employee set up |  |
|  | C/QPP withholdings – age, elections to stop |  |
| ***Annually:*** | | |  |
|  | Reconcile payroll register to: | |  |
|  | T4 and RL-1 slips |  |
| Reconcile T4 and RL-1 slips to: | |  |
|  | Annual returns |  |
|  | Payroll remittance account |  |

1. The annual payroll schedule must be reviewed before first pay in the new Year to confirm the number of pays, and account for impact to input deadlines and/or pay dates due to statutory/public/general holidays and bank closures. Employees must be provided with ample notice for changes to pay-dates. [↑](#footnote-ref-2)
2. Establish and communicate deadlines for submission of payroll-related documents to payroll. When compiling all source documents for payroll input, ensure that all approvals from authorized personnel are in place. [↑](#footnote-ref-3)
3. The checklist provides a non-exhaustive list of examples of payroll reports, which can be adapted to the payroll system and needs of the organization. [↑](#footnote-ref-4)