

Pellissippi State Community College
Master Syllabus

PAYROLL & INTERNAL CONTROL
ACC 2500

Class Hours:	3.0	Instructor:
Laboratory Hours:	0.0	Office:
Credit Hours:	3.0	Phone:
Revised:	August 2011	E-Mail:

This course is not intended for transfer.

Catalog Course Description:

This course focuses on Federal laws related to payroll and internal control and their impact on the accounting system and financial reporting requirements. Calculation of employer and employee payroll taxes and the preparation of payroll related to tax forms are also discussed.

Entry-Level Standards:

The student should have an understanding of generally accepted accounting principles, and be able to comprehend at the college level. A working level knowledge of college algebra and business mathematics is also required.

Prerequisite: ACC 2000

Textbook(s) and Other Reference Material:

- Bieg, Bernard J. Payroll Accounting, 2011 Edition, Thomson South-Western Publishing Company.
- ACC 2500 course web site.
- Calculator

Note: Programmable calculators (TI 83 plus, etc.) may not be used on exams or quizzes in this course. In addition, no sharing of calculators will be allowed during exams or quizzes.

I. Week/Unit/Topic basis:

Week	Chapter	Topic
1	Course Web Site	Course Introduction
2	Course Web Site	Forms of Ownership
3	Course Web Site	Fraud and Sarbanes-Oxley
4	Course Web Site	Internal Control
5	1 - Bieg	The Need For Payroll and Personnel Records
6	2 - Bieg	Computing Wages and Salaries
7	3 - Bieg	Social Security Taxes
8	1-3 - Bieg	Review Week
9	1-3 - Bieg	Payroll Exam I
10	4 - Bieg	Income Tax Withholding
11	5 - Bieg	Unemployment Compensation Taxes
12	6 - Bieg	Analyzing and Journalizing Payroll Transactions
13	4-6 - Bieg	Payroll Exam II
14-15	Course Web Site	Ratios

II. Course Goals:*

- A. Demonstrate the ability to perform financial statements analysis. (I, III, V)
- B. Apply generally accepted accounting principles and the appropriate tax laws to payroll accounting. (I, II, III, V, VII)
- C. Develop an understanding of payroll taxes, withholding and remittance to federal depositories. (I, II, III, V, VII)
- D. Develop an understanding of the basic forms of business ownership, fraud, Sarbanes-Oxley, and Internal Control. (I, III, V)
- E. Demonstrate an ability to make business decisions. (I, II, III, V)

*Roman numerals after course objectives reference goals of the Business Administration program.

III. Expected Student Learning Outcomes:

Upon successful completion of the course, the student should be able to:

- 1. Explain and analyze corporate financial ratios. A, E
- 2. Identify the strength of a company based on its financial ratios and cash flow. A, E
- 3. Understand ethical considerations in accounting and business. E
- 4. Identify different types of business organizations. E
- 5. Identify the various laws that affect employers in their payroll operations. B
- 6. Examine the recordkeeping requirements of these laws. B
- 7. Explain the importance of a thorough recordkeeping system. B
- 8. Describe the employment procedures generally followed in a Human Resources Department. B
- 9. Recognize the various personnel records used by businesses and know the type of information shown on each form. B
- 10. Outline the procedures employed in a typical payroll accounting system. B, C
- 11. Identify the payroll register and employee's earnings record. B, C
- 12. Explain the major provisions of the Fair Labor Standards Act. B
- 13. Distinguish between the employees' principal activities and their preliminary and postliminary activities. B, C
- 14. Describe the main types of records used to collect payroll data. B, C
- 15. Calculate regular and overtime pay. B
- 16. Perform the following computations: B
 - (a) Convert weekly wage rates to hourly wage rates.
 - (b) Convert monthly and annual salary rates hourly rates.
 - (c) Compute regular earnings and overtime earnings to arrive at total gross earnings.
 - (d) Compute overtime payments for pieceworkers using two different methods.
 - (e) Compute earnings under incentive and commission plans.
- 17. Identify, for social security purposes, those persons covered under the law and those services that make up employment. B, C
- 18. Identify the types of compensation that are defined as wages. B
- 19. Apply the current tax rates and wage base for FICA and SECA purposes. B, C
- 20. Explain the importance of obtaining and correctly using the Employer's Identification Number and the Employee's Social Security Number. B, C
- 21. Describe the different requirements and procedures for depositing FICA taxes and income taxes withheld from employees' wages. C
- 22. Complete Form 941, Employer's Quarterly Federal Tax Return, and Form 8109, Federal Tax Deposit Coupon. C
- 23. Recognize that, as collection agents for the government, employers may be subject to civil and criminal penalties if they fail to carry out their duties. B, C

24. Explain coverage under the federal income tax withholding law by determining: (a) the employer-employee relationship, (b) the kinds of payments defined as wages, and (c) the kinds of employment excluded under the law. B, C
25. Explain the types of withholding allowances that may be claimed by employees for income tax withholding purposes. B, C
26. Explain the purpose of Form W-4 and list the proper procedures for using the information contained on the form. B, C
27. Compute the amount of federal income tax to be withheld using: (a) the percentage method and (b) the wage-bracket method. B, C
28. Compute the amount of federal income tax to be withheld using alternative methods such as quarterly averaging and annualizing of wages. B, C
29. Compute the withholding of federal income taxes on supplementary wage payments. B, C
30. Explain how employees may receive Advance Earned Income Credit and how the employer computes the amount of the advance. B
31. Complete Form W-2 and become familiar with other wage and tax statements. B
32. Review completion of Form 941, Employer's Quarterly Federal Tax Return. B, C
33. Describe the major types of information returns. B
34. Explain the impact of state and local income taxes on the payroll accounting process. B
35. Describe the basic requirements for an individual to be classified as an employer or an employee under the Federal Unemployment Tax Act. B
36. Describe the factors considered in determining the coverage of interstate employees. B
37. Identify generally what is defined as taxable wages by the Federal Unemployment Tax Act. B
38. Compute the federal unemployment tax and the credit against this tax. B
39. Describe how an experience-rating system is used in determining employers' contributions to state unemployment compensation funds. B
40. Complete the reports required by the Federal Unemployment Tax Act. B
41. Describe the types of information reports under the various state unemployment compensation laws. B
42. Describe the factors that determine eligibility for unemployment compensation benefits. B
43. Record payrolls in payroll registers and post to employees' earnings records. B
44. Journalize the entries to record the payroll, payroll taxes, and payment of payroll-related liabilities. B, C
45. Post to the various general ledger accounts that are used to accumulate information from the payroll entries. B, C
46. Explain the payment and the recording of the payroll tax deposits. B, C
47. Understand the need for end-of-period adjustments. B
48. Identify the general ledger accounts used to record payroll transactions. B
49. Explain the basics of internal Control. D
50. Identify fraud. D

*Capital Letters after Expected Student Learning Outcomes reference the course goals listed above.

IV. Evaluation:

A. Testing Procedures:

The instructor's policies on exams, quizzes, homework, attendance, and grades will be provided on a supplement to the course syllabus. A minimum of 2 major exams is recommended.

B. Laboratory Expectations: N/A

C. Field Work: N/A

D. Other Evaluation Methods:

This information, if applicable, will be provided by the instructor in full detail during the first week of class via syllabus supplement.

E. Grading Scale:

92 - 100	A
89 - 91	B+
82 - 88	B
79 - 81	C+
72 - 78	C
65 - 71	D
Below 65	F

V. Policies:

A. Attendance Policy:

Pellissippi State Community College expects students to attend all scheduled instructional activities. As a minimum, students in all courses must be present for at least 75 percent of their scheduled class and laboratory meetings in order to receive credit for the course. (*Pellissippi State Online Catalog*)

Maintaining continuous attendance in your classes is very important. If you are considering dropping or withdrawing from a course, please check with the Financial Aid Office before doing so. Dropping or withdrawing from a class can adversely affect your financial aid and/or lottery eligibility.

B. Academic Dishonesty:

Plagiarism, cheating and other forms of academic dishonesty are prohibited. A student guilty of academic misconduct, either directly or indirectly through participation or assistance, is immediately responsible to the instructor of the class. In addition to other possible disciplinary sanctions that may be imposed through the regular Pellissippi State procedures as a result of academic misconduct, the instructor has the authority to assign an F or a zero for the exercise or examination or to assign an F in the course. (*Pellissippi State Online Catalog*)

C. Accommodation for Disabilities:

Students who need accommodations because of a disability, have emergency medical information to share, or need special arrangements in case the building must be evacuated should inform the instructor immediately, privately after class or in her or his office. Students must present a current accommodation plan from a staff member in Services for Students with Disabilities (SSWD) in order to receive accommodations in this course. Services for Students with Disabilities may be contacted by going to Goins 127, 132, 134, 135, 131 or by phone: 539-7153 or TTY 694-6429. More information is available at www.pstcc.edu/departments/swd/.