

# ACCT 118: PAYROLL ACCOUNTING

## Citrus College Course Outline of Record

Heading	Value
Effective Term:	Fall 2021
Credits:	3
Total Contact Hours:	54
Lecture Hours :	54
Lab Hours:	0
Hours Arranged:	0
Outside of Class Hours:	108
Strongly Recommended:	ACCT 100 or ACCT 101.
Transferable to CSU:	No
Transferable to UC:	No
Grading Method:	Standard Letter, Pass/No Pass

## Catalog Course Description

This course is designed to provide a working knowledge of payroll accounting, computerized payroll accounting, and pertinent laws which will assist in preparing the student for more advanced accounting courses to provide occupational competence. 54 lecture hours.

## Course Objectives

- Understand the need for payroll and personnel records.
- Explain the various payroll tax laws affecting payroll.
- Analyze payroll information and employee compute wages and salaries.
- Demonstrate how to determine if an individual is covered for social security.
- Calculate the appropriate amount of tax for purposes of FICA and SECA.
- Explain the verification, deposit and reporting requirements for Social Security purposes.
- Explain coverage under the Federal Income Tax Withholding Law.
- Explain the types of withholding allowances that may be claimed by an employee.
- Compute federal income tax withholdings and complete Form 941 Employer's Quarterly Federal Tax Return.
- Describe the basic requirements for an individual to be classified as an employer or an employee under the Federal Unemployment Tax Act.
- Compute the federal unemployment tax and complete the reports required by the Federal Unemployment Tax Act.
- Record payrolls in payroll registers and post to employee's earnings records.
- Identify the various deductions that are taken out of employees' gross pay.
- Journalize the entries to record payroll and payroll taxes.

## Major Course Content

1. The Need for Payroll and Personnel Records
2. Computing Wages and Salaries

3. Social Security Taxes
4. Income Tax Withholdings
5. Unemployment Compensation Taxes
6. Analyzing and Journalizing Payroll

## Suggested Reading Other Than Required Textbook

Publication 15 (Circular E) Federal Employer's Tax Guide. 2020 California Employer's Guide

## Examples of Required Writing Assignments

Visit the following IRS website and read the information to help prepare a client letter.

<https://www.irs.gov/businesses/small-businesses-self-employed/understanding-employment-taxes>

Write a one page, client letter explaining the following:

1. Employee tax withholding requirements and employer payroll taxes.

## Examples of Outside Assignments

Visit the following IRS website and read the information to answer the questions below:

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>

1. What are the factors that are used to determine if a person should be classified as an employee or independent contractor?
2. Select either an airline pilot, real estate agent, teacher, chef, or auto mechanic. Next, create an argument as to why you think the person should be classified as an employee or independent contractor under your own set of facts and circumstances.

## Instruction Type(s)

Lecture, Online Education Lecture