

STEP-BY-STEP PAYROLL SYSTEM SETUP CHECKLIST

PAYROLL TEMPLATE

Company Name: _____

Target Go-Live Date: _____

Prepared By: _____

Reviewed By: _____

1. COMPANY PROFILE & LEGAL SETUP

STATUS	TASK DESCRIPTION	ASSIGNED TO	DATE COMPLETED	INITIALS
☐	Obtain Federal Employer Identification Number (FEIN)	_____	_____	_____
☐	Register for State Information Tax (SIT) account	_____	_____	_____
☐	Register for State Unemployment Insurance (SUI) account	_____	_____	_____
☐	Gather local tax requirements and register with local agencies	_____	_____	_____
☐	Establish corporate bank account designated for payroll operations	_____	_____	_____

2. SYSTEM CONFIGURATION & PREFERENCES

STATUS	TASK DESCRIPTION	ASSIGNED TO	DATE COMPLETED	INITIALS
☐	Define pay periods and schedules (e.g., Weekly, Bi-weekly, Semi-monthly)	_____	_____	_____
☐	Establish workweek definitions for overtime calculations	_____	_____	_____
☐	Configure holiday schedules and paid time off (PTO) accrual rules	_____	_____	_____
☐	Map general ledger (GL) accounts to payroll codes	_____	_____	_____
☐	Set up department and cost center codes for tracking	_____	_____	_____

3. EMPLOYEE ONBOARDING & DATA ENTRY

STATUS	TASK DESCRIPTION	ASSIGNED TO	DATE COMPLETED	INITIALS
☐	Collect completed Form W-4 (or state equivalents) for all employees	-----	-----	-----
☐	Collect and verify Form I-9 documents for work authorization	-----	-----	-----
☐	Enter complete employee profile data into payroll database	-----	-----	-----
☐	Obtain and input direct deposit authorization forms and bank routing info	-----	-----	-----
☐	Report new hires to the state registry agency within compliance window	-----	-----	-----

4. COMPENSATION, BENEFITS & DEDUCTIONS

STATUS	TASK DESCRIPTION	ASSIGNED TO	DATE COMPLETED	INITIALS
☐	Set up base salary and hourly wage rates for each worker classification	-----	-----	-----
☐	Configure pre-tax benefit deductions (Health, Dental, Vision, HSA/FSA)	-----	-----	-----
☐	Configure post-tax deductions (Retirement accounts, voluntary benefits)	-----	-----	-----
☐	Establish systems for garnishments and statutory court-ordered deductions	-----	-----	-----
☐	Set up expense reimbursement parameters and mileage rates	-----	-----	-----

5. TESTING & VERIFICATION (FIRST RUN PREP)

STATUS	TASK DESCRIPTION	ASSIGNED TO	DATE COMPLETED	INITIALS
☐	Run a parallel test payroll execution with sample employee data	-----	-----	-----
☐	Compare tax calculation output with prior manual/legacy system numbers	-----	-----	-----
☐	Validate direct deposit bank file generation format (ACH validation)	-----	-----	-----
☐	Verify administrative system access controls and user permissions	-----	-----	-----

Notes / Issue Resolution:

Payroll Administrator Signature / Date

Authorized Approver Signature / Date