

Chapter 12 Outline

Control Features
Payroll Records
 Regular Pay and Overtime Pay
Payroll Journal Entries
 The Entry to Record Payroll
 The Entry to Record Payroll Taxes
Reporting Tips
Determining Employee Status

Competencies

1. Describe the importance of managing payroll-related liabilities and the control features that clubs should have in place. (pp. 263–266)
2. List the elements involved in maintaining payroll records, including departmentalization, knowledge of applicable wage and tax acts, preparing appropriate files and forms, and evaluating overtime and part-time employment situations. (pp. 266–270)
3. Describe the two distinct journal entries involving payroll. (pp. 270–276)
4. Explain the importance of tip reporting and list the relevant tax forms and documents associated with claiming tip income. (pp. 276–277)
5. List the characteristics that distinguish employees from self-employed individuals for income tax reporting purposes. (pp. 277–280)