Virginia Western Community College
ACC 124
Payroll Accounting

Prerequisites

MTE 1-3

Course Description

Presents accounting systems and methods used in computing and recording payroll to include payroll taxes and compliance with federal and state legislation.

Semester Credits: 3 Lecture Hours: 3 Lab/Clinical/Internship Hours: 0

Required Materials

Textbook:
Payroll Accounting by Landin and Schirmer (2025 Release). McGraw-Hill.
Digital textbook and Connect provided through a student fee.

Other Required Materials:
none

Course Outcomes

At the completion of this course, the student should be able to:

1. Identify the various laws that affect employers in their payroll operations.
2. Explain the recordkeeping requirements of these laws.
3. Explain the importance of a thorough recordkeeping system.
4. Describe the employment procedures generally followed in a Human Resources Department.
5. Explain the major provisions of the Fair Labor Standards Act.
6. Recognize the various personnel records used by businesses and know the type of information shown on each form.
7. Complete payroll tax forms.
8. Explain the purpose of Form W-4 and list the proper procedures for using the information contained on the form.
9. Explain the importance of obtaining incorrectly using the Employer's Indemnification Number and the Employee's Social Security Number.
10. Describe the procedures employed in a typical payroll accounting system.
11. Distinguish between employees' *principal* activities and their *preliminary* and *postliminary* activities.
12. Perform payroll computations.
13. Identify the *payroll register* and the *employee's earnings record*.

14. Identify the types of compensation that are defined as wages.
15. Apply the car tax rates and wage base FICA and SECA purposes.
16. Describe how wages are paid.
17. Identify, for Social Security purposes, those persons covered under the law and those services that make up employment.
18. Explain the types of withholding allowances that may be claimed by employees for income tax withholding purposes.
19. Compute the amount of federal income tax to be withheld.
20. Explain the impact of state and local income taxes on the payroll accounting process.
21. Explain how employees may receive Advanced Earned Income Credit.
22. Complete Form W-2 and become familiar with other wage impact statements.
23. Describe the major types of information returns.
24. Describe the basic requirements for an individual be classified as employer or an employee under the Federal Unemployment Tax Act.
25. Describe the factors considered in determining the coverage of interstate employees.
26. Compute the federal unemployment tax and credit.
27. Complete unemployment tax reports.
28. Describe the different procedures for depositing FICA taxes and income taxes withheld from employees' wages.
29. Describe the factors to determine eligibility for unemployment compensation benefits.
30. Record payroll and payroll register and post employees' earnings record.
31. Journal last entry to record the payroll, payroll taxes, and payment of payroll-related information from the payroll entries.
32. Explain the payment and recording of payroll tax deposits.
33. Understand the need for end-of-period adjustments.
34. Identify the general ledger accounts used to record payroll transactions.

Topical Description

Chapter 1: Payroll Fundamentals and Payroll Legislation
Chapter 2: Payroll Documentation, Pay Records and Internal Controls
Chapter 3: Computing Wages and Salaries
Chapter 4: Fringe Benefit and Employee Benefit Deductions
Chapter 5: Social Security and Income Taxes and Computation of Net Pay
Chapter 6: Employer Payroll Taxes
Chapter 7: Analyzing and Journalizing Payroll Transactions
Appendix: Payroll Project

Notes to Instructors

None

ADA Statement (PDF)

Title IX Statement (PDF)