

Submitting within Budget: Using the Employer Payroll Calculator



What we'll discuss

- ✓ What is a budget?
- ✓ What does it mean to submit payroll within budget and how do I do so?
- ✓ What happens when I exceed my budget?
- ✓ How to use the Employer Payroll Calculator.

What is a Budget?

What is a Budget?

Your CCO Budget is a document developed with your Independent Support Broker (ISB) from information provided from your Case Manager that outlines your CCO services.

Information listed on your budget includes:

- ▶ Your authorized services.
- ▶ Employees/providers you have selected to provide services.
- ▶ Pay rates for your employees/providers.
- ▶ Number of hours your employees/providers are projected to work in the month.

Hourly Services

SERVICE OPTION	Name	Description	Hourly pay	Total Hours month	9.25	Monthly Cost
Self Directed Personal Care						
Employee #1	John Doe	Respite	\$ 15.00	70	\$ 97.13	\$ 1,147.13
Employee #2	Sarah Smith	Respite	\$ 16.00	60	\$ 88.80	\$ 1,048.80
Employee #3	Jane Doe	Respite	\$ 15.00	0	\$ -	\$ -
Employee #4					\$ -	\$ -
Employee #5					\$ -	\$ -
Employee #6					\$ -	\$ -
Employee #7					\$ -	\$ -
Employee #8					\$ -	\$ -
Other Services					\$ -	\$ -
Other Services					\$ -	\$ -
Total Self Directed Personal Care costs:						\$ 2,195.93

- 1. Name-** Employee providing the service.
- 2. Description-** Service being provided.
- 3. Hourly Pay-** Employee's normal pay rate per hour.
- 4. Total Hours Month-** The amount of hours that employee is projected to work for the purpose of creating the budget.
- 5. Employer Tax Rate-** The rate at which hours are taxed for the employer portion of the following taxes: SUTA, FUTA, and FICA.
- 6. Monthly Cost (per employee)-** The dollar cost of the employee's scheduled hours.
- 7. Monthly Cost (total per service)-** The dollar cost of all employee's scheduled hours.



The Cost of an Hour

The cost of an employee's work can be calculated as follows:

$$\text{Hours X Pay Rate X Employer Tax Rate} = \text{Cost of the Hours}$$

Example-

One hour of John's time would cost you the following:

$$1 \text{ hour X } \$15.00 \text{ X } 1.0925 \text{ (9.25\% tax rate)} = \\ \$16.39$$



Be Aware of Overtime

Under the Fair Labor Standards Act, if an employee works more than 40 hours in the work week* (Sunday-Saturday), hours in excess of 40 are considered overtime. Overtime hours are paid at the rate of time and a half the employee's normal rate of pay.

*Please note, a work week may span across multiple months and be comprised of hours working different services.

Example

Let's say your employee John Doe works 45 hours in a work week and their normal rate of pay is \$15.00 an hour. Hours 1-40 will be paid at the normal rate of \$15.00 an hour. Hours 41-45 will be paid at John's overtime rate of \$22.50 an hour ($\15.00×1.5).



Overtime

Employee Name	Hours Worked	Pay Rate	Employer Tax Rate	Cost of Hours
Jane Doe	35	\$15.00	9.25%	\$573.56
John Doe	35	\$15.00	9.25%	\$573.56
Total Cost of Hours				\$1,147.12

Employee Name	Hours Worked	Pay Rate	Employer Tax Rate	Cost of Hours
Jane Doe	50	\$15.00 for the first 40 hours \$22.50 for the last 10 hours	9.25%	\$655.50 (cost of the 40 regular hours) \$245.81 (cost of the 10 overtime hours)
John Doe	20	\$15.00	9.25%	\$327.75
Total Cost of Hours				\$1,229.06

**What does it mean to submit
within budget?**



Submitting within Budget

When the costs of the payments you have submitted for a service are less than or equal to that service's budgeted dollar amount, you have submitted within budget.

For example

- You are budgeted \$1000.00 for SCL for the month of May.
- You submitted \$600.00 worth of May SCL for the 4/29 payroll and an additional \$395.00 of May SCL for the 5/15 payroll.
- Your combined payment amount for May SCL would be \$995.00, which would be within budget.

Submitting within Budget

When you submit within budget, you ensure the following for your payroll:

- ✓ All employer taxes are paid.
- ✓ All applicable employee taxes are withheld.
- ✓ Full payment information is reported to the appropriate entities.
- ✓ Your employee(s) receive full payment for the hours they worked.

What if I go over budget?



Over Budget

When the costs of the payments you have submitted for a service are greater than that service's budgeted dollar amount, you have submitted over budget.

For your protection as an employer, Veridian is not authorized to process any payroll that is over budget.

What this means for you and your employee(s) is:

- ▶ Delays in payroll.
- ▶ Removal of payroll.
- ▶ You having to pay employees out-of-pocket for funds owed in excess of your budget.



Over Budget

In addition to the immediate impacts, you are also putting yourself as the employer and your employees at risk with respect to the following when you submit over budget:

- ▶ State and federal laws
- ▶ Worker's compensation
- ▶ Unemployment insurance
- ▶ Department of Labor regulations

**How do I submit within
budget?**



Submitting within Budget

- ✓ **Know your budget-** Knowing how many dollars are available to you is key in staying within your budget. Keep a copy of your current and previous budgets to ensure you have this information at your disposal.
- ✓ **Know how much an hour costs-** Knowing the cost of an hour along with the dollars available in your budget allows you to schedule employees and submit payroll that stays within your budget.

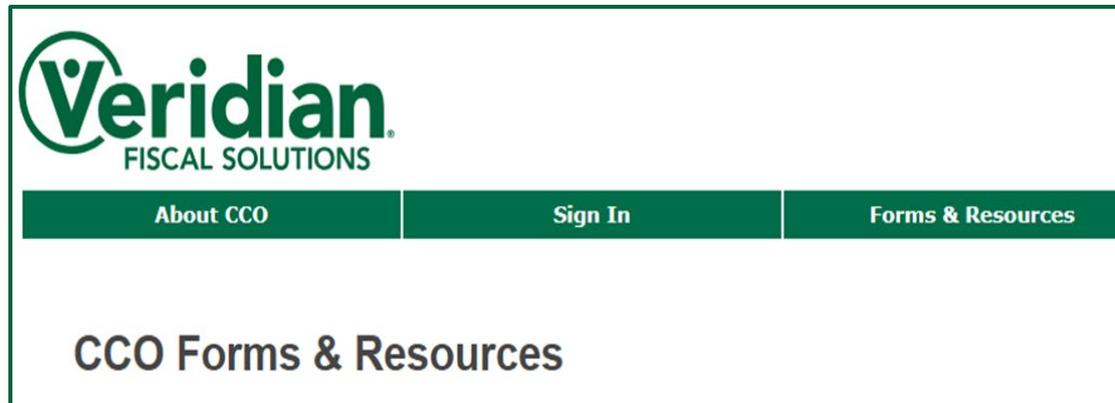
Submitting within Budget

- ✓ **Track hours as they are worked-** Tracking hours as they are scheduled and worked allows you be aware of how many of your budget dollars are accounted for and how many you have left for the remained of the month.
- ✓ **Review hours before submitting-** Carefully review the hours for your employees before submitting to ensure accuracy. Errors in submission can cause inaccurate payments and by extension exceed your budget.
- ✓ **Track hours paid-** It is recommended you generate and review your member statement after each payroll to see what hours were paid and how much money is left in your budget. This will allow you to know what can be submitted for the next payroll and still be within your budget.

Forms and Resources

Our Forms and Resources Page

www.veridianfiscalsolutions.org/cco/forms



- Account Statement
 - Notes Report
 - Overtime and your Budget
- Understanding your CCO Budget (PowerPoint and video)
 - Employer Payroll Calculator



What is the Employer Payroll Calculator?



Employer Payroll Calculator

The Employer Payroll Calculator allows you to estimate how much your employee's hours will cost.

By knowing this, you are able to schedule your employees in a way that will keep their payroll within budget.



Employer Payroll Calculator

www.veridianfiscalsolutions.org/cco/calculator



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Employer Payroll Calculator

As an employer within a self-direction program, it is your responsibility to ensure that the payroll you submit for your employee(s) falls within your authorized funding amount. This provides protection to both you and your employees with respect to state and federal laws, worker's compensation and unemployment insurance, as well as Department of Labor regulations.

To assist you in submitting within your authorized funding amount, Veridian Fiscal Solutions has developed the Employer Payroll Calculator. Below we have provided easy to follow instructions along with a link to each calculator.

- The calculator with exemptions should be used if any of your employees' hours are exempt from any employer taxes.
- The calculator without exemptions should be used if none of your employees' hours are exempt from any employer taxes.

If you are unsure of if your employees' hours are exempt from any employer taxes, please review the instructions for the exemptions calculator.

If you have any questions on the use of the calculators, please contact us and we will be happy to help.

- [Calculator Instructions-With Exemptions](#)
- [Calculator-With Exemptions](#)
- [Calculator Instructions-No Exemptions](#)
- [Calculator-No Exemptions](#)



Employer Payroll Calculator

Employer Payroll Calculator							
Employer Tax Rate*: →							
Employees	Hours Worked - Regular	Hours Worked - Overtime +	Hourly Rate	SUTA Exempt	FUTA Exempt	FICA Exempt	SUM
Employee 1				No	No	No	\$ -
Employee 2				No	No	No	\$ -
Employee 3				No	No	No	\$ -
Employee 4				No	No	No	\$ -
Employee 5				No	No	No	\$ -
Employee 6				No	No	No	\$ -
Employee 7				No	No	No	\$ -
Employee 8				No	No	No	\$ -
Employee 9				No	No	No	\$ -
Employee 10				No	No	No	\$ -
				Total Dollars			\$ -



Employer Payroll Calculator

Employer Payroll Calculator							
Employer Tax Rate*: →							
2 Employees	Hours Worked - Regular	Hours Worked - Overtime +	Hourly Rate	SUTA Exempt	FUTA Exempt	FICA Exempt	SUM
Employee 1	3	4	5	No	No	No	\$ 7 -
Employee 2				No	No	No	\$ -
Employee 3				No	No	No	\$ -
Employee 4				No	No	No	\$ -
Employee 5				No	No	No	\$ -
Employee 6				No	No	No	\$ -
Employee 7				No	No	No	\$ -
Employee 8				No	No	No	\$ -
Employee 9				No	No	No	\$ -
Employee 10				No	No	No	\$ -
				Total Dollars			\$ 8 -

1. **Employer Tax Rate**-Your employer tax rate.
2. **Employee Name**-The employee providing services.
3. **Hours Worked Regular**-The amount of hours scheduled to be worked at the regular rate of pay.
4. **Hours Worked**-The amount of hours your employee will work at the overtime rate of pay. Overtime hours are paid at time-and-a-half the employee's regular pay rate and are any hours worked in excess of 40 in a work week (Sunday-Saturday).
5. **Hourly Rate**-The employee's hourly rate of pay.
6. **Tax Exemptions**
7. **SUM**-The total projected cost of that employee's hours.
8. **Total Dollars**-The total projected cost of all hours.



**Let's look at some
examples**



Example 1

You have an employer tax rate of 9.25%, an authorized funding amount of \$1700.00, and the following employee data:

- ▶ **Jane Doe**- 14.5 hours worked (no overtime) and is paid \$10.00 an hour. She is your 19 year old daughter. This relationship to you (child working for their parent, i.e. the member/employer) results in her hours worked being exempt from SUTA, FUTA, and FICA taxes.
- ▶ **John Doe**- 14.5 hours worked (no overtime) and is paid \$10.00 an hour. He has no exemptions.
- ▶ **Jim Doe**- 42 total hours worked (2 of which are overtime) and is paid \$15.00 an hour. He has no exemptions.
- ▶ **Jack Doe**- 42 total hours worked (no overtime) and is paid at \$15.00 an hour. He has no exemptions.

Example 1

Employer Payroll Calculator							
Employer Tax Rate*: →			9.25%				
Employees	Hours Worked - Regular	Hours Worked - Overtime +	Hourly Rate	SUTA Exempt	FUTA Exempt	FICA Exempt	SUM
Jane Doe	14.50		\$ 10.00	Yes	Yes	Yes	145.00
John Doe	14.50		\$ 10.00	No	No	No	\$ 158.41
Jim Doe	40.00	2.00	\$ 15.00	No	No	No	\$ 704.66
Jack Doe	42.00		\$ 15.00	No	No	No	\$ 688.28
Employee 5				No	No	No	\$ -
Employee 6				No	No	No	\$ -
Employee 7				No	No	No	\$ -
Employee 8				No	No	No	\$ -
Employee 9				No	No	No	\$ -
Employee 10				No	No	No	\$ -
Projected payroll is within budget				Total Dollars			\$ 1,696.35

Example 2

You have an employer tax rate of 9.25%, an authorized funding amount of \$1700.00, and the following employee data:

- ▶ **Jane Doe- 12.5 hours** worked (no overtime) and is paid \$10.00 an hour. She is your 19 year old daughter. This relationship to you (child working for their parent, i.e. the member/employer) results in her hours worked being exempt from SUTA, FUTA, and FICA taxes.
- ▶ **John Doe-** 14.5 hours worked (no overtime) and is paid \$10.00 an hour. He has no exemptions.
- ▶ **Jim Doe-** 42 total hours worked (2 of which are overtime) and is paid \$15.00 an hour. He has no exemptions.
- ▶ **Jack Doe- 44 total hours** worked (no overtime) and is paid at \$15.00 an hour. He has no exemptions.

Example 2

Employer Payroll Calculator							
Employer Tax Rate*: →			9.25%				
Employees	Hours Worked - Regular	Hours Worked - Overtime +	Hourly Rate	SUTA Exempt	FUTA Exempt	FICA Exempt	SUM
Jane Doe	12.50		\$ 10.00	Yes	Yes	Yes	\$ 125.00
John Doe	14.50		\$ 10.00	No	No	No	\$ 158.41
Jim Doe	40.00	2.00	\$ 15.00	No	No	No	\$ 704.66
Jack Doe	44.00		\$ 15.00	No	No	No	\$ 721.05
Employee 5				No	No	No	\$ -
Employee 6				No	No	No	\$ -
Employee 7				No	No	No	\$ -
Employee 8				No	No	No	\$ -
Employee 9				No	No	No	\$ -
Employee 10				No	No	No	\$ -
Projected payroll is not within budget.				Total Dollars			\$ 1,709.13

Questions?

If you have questions about the content of this presentation or items that weren't covered that you would like addressed, please let us know!

Contact Us

Consumer Choices Option

Email: ccoiowa@veridiancu.org

Phone: 319-CCO-IOWA (319-226-4692)

Toll-Free: 866-CCO-IOWA (866-226-4692)

Fax: 319-236-6785

Address: Veridian Fiscal Solutions, PO Box 4502, Waterloo, Iowa 50704

Give us Feedback

We value your feedback. How are we doing? Let us know by taking our survey.

Please do not include any protected health information (PHI), such as Medicaid numbers, in your feedback.



How are we doing?

Take our online survey

