

Payroll Best Practices for Restaurant Managers

September 2018

Many restaurant managers started out as servers or bussers – not necessarily in an office job doing paperwork. So a new manager may have limited experience with forms and files. Added to that, in many successful restaurants, the manager is on the floor interacting with guests and employees and a home office or support center manages the paperwork.

When a restaurant operation chooses Macro to administer its payroll, managers might think, *“we have a payroll company now so they are in charge of all that.”*

It’s true that Macro will prepare payrolls to the best of our ability with the information the restaurant provides us ... but there are some important Best Practices in-store personnel should be incorporating into hiring and training. Doing so will ensure the information Macro receives is complete and accurate leading to a hassle-free payroll cycle ... which leads to happy employees!

Collect Complete Information Upfront

Probably 80% of the problems that come up in payroll could have been avoided if employee information had been collected – completely and accurately – at hiring. Employees must be asked to fill out an **I-9** (employment eligibility and demographic information) and a **W-4** (federal withholding) and a manager should verify both forms are complete and accurate before submitting to Macro for a personnel file.

Macro provides our clients a **Personnel Action Notice (PAN) form** to collect all data relevant to restaurant work on one page. This includes rate of pay, start date, location of employment, job code, etc. A complete new hire PAN form is essential before the employee works any hours.

Establish Procedures and Stick to Them

Macro’s clients use the PAN form to notify us of information changes such as change in rate of pay, promotion to different job code, vacation requests and terminations. We ask that clients **send us the updated PAN form immediately** so we can make sure the change is reflected in the applicable pay period.

Follow the Law

The Department of Labor, the Internal Revenue Service, and the Department of Homeland Security all monitor employer procedures and paperwork. Restaurant managers must ensure tipped employees are declaring all tips in each shift worked, time and attendance are accurately tracked in the Point of Sale (POS) system, and federal forms – the I-9 and W-4 – are on file for every active employee. Failure to adhere to these guidelines can result in people not receiving pay for time worked; and audits, fines and in the worst cases, criminal charges for the employer.