

Payroll goes Green - Environmentally Correct Payroll

Paperless Payroll - Going Green Saves More than Trees With much anticipation and fanfare Apple recently rolled out its iPhone, which promises to usher in the next generation of wireless communications. With the buzz over such mobile computers, mobile phones, iPods etc. we may be growing more wireless, yet we are far from a paperless society. In fact, despite advances in electronics the average office worker in a typical business still uses about 50 sheets of paper everyday! Despite the increased use of the Internet and digital technology, paper consumption for most businesses is actually increasing by 20 percent every year and that voracious appetite shows very little sign of abating. From printing out e-mails to Web pages, even digital photographs, the office is a place of major amounts of paper use and paper waste. Unnecessary paper consumption is costly. It wastes time and productivity; it consumes energy and adds to deforestation. And what is one of the main culprits Processing payroll. There are some businesses that are certainly more paper-dependant than others; law firms, banking and financial institutions, medical and healthcare businesses for example. However, every business has a payroll. And believe it or not, the simple act of printing and providing payroll checks and reports consumes massive amounts of paper. **Paperless Payroll, Green Savings** Lets take a look at an average size company with a payroll of 40 employees paid bi-weekly. To print those checks and reports, put them in pay envelopes and deliver them requires two pounds of paper every two weeks, or 52 pounds a year. Figure a round trip of eight miles for each employee driving to the bank to cash or deposit his or her check and that makes 320 miles driven just for payroll transactions every two weeks, or 8,320 miles per year. That eight thousand some-odd miles of driving per year costs employees over \$1,200 in gasoline alone and results in increased greenhouse gas emissions. Now multiply that number by the millions of businesses nationwide and you are looking at hundreds of thousands of tons of wasted paper and significant increases in greenhouse gas emissions. Those figures represent just part of the environmental cost in merely the printing and distribution of paper payroll checks and reports. It does not take into account the other paper-consuming activities of the typical payroll department such as faxed input sheets, checks returned to the issuing bank, recording and reconciling paper checks, W2s, tax reports and other payroll documentation. The list goes on and should include energy usage for creating and delivering the paper at all levels from forest to landfill. **Payroll Goes Green** But it doesnt have to be that way. For one thing, there is a growing tendency for businesses to outsource payroll services to an outside payroll company. This saves the business money in reduced labor cost alone and, in theory, cuts down on a lot of the paper used by an in-house payroll department. And while it is a smart decision to reduce costs by turning over payroll services to an outside payroll company, it is an even smarter choice to use a payroll service that itself is environmentally conscious. One such company is Custom Payroll Associates, Inc. a pioneer in the development of a fully secure, one hundred percent paperless payroll solution. Says Charles Read, CEO and founder of the company, We decided early on that we wanted to provide payroll services to the small and medium business at an effective price point, and provide a higher level of service than our competitors. We realized that to do that we had to use the latest and the very best technology available. That meant using the Internet and going completely electronic. What started as efficiency and cost saving for our clients grew into the realization that by providing a 100 percent paperless solution we were actually saving our clients even more money by reducing energy costs and reducing the negative impact on the environment. There is no doubt that, in the short term, switching to paperless payroll, even internally, saves a company money. Microsoft, one of the first large businesses to initiate a paperless payroll solution, claims the move has saved the company millions a year. Even an average size company can save over \$150,000 per year by going paperless for payroll, states industry experts. Add to that the much smaller margin for error in paperless payroll, along with the environmental benefits, and paperless payroll is truly a win-win. Across the nation, indeed across the globe, paper and pulp is the single largest industrial consumer of forests and the fourth largest consumer of energy. Furthermore, taking into consideration the chemical and bleaching processes used to whiten the pulp and create paper, and all of the office paper that ends up in landfills, it is easy to see office paper consumption is hardly environmentally friendly. The paperless office has been predicted for more than 10 years now, yet according to the U.S. Department of Labor and the Environmental Protection Agency paper consumption by businesses still has increased more than six-fold over the last 50 years. As Charles Read can testify, today there is absolutely no reason for a business to still have a paper payroll system. A business of any size has nothing to lose by outsourcing to a paperless payroll company and we all have so much to gain. Again, the average business of 40 employees that chooses to outsource to a paperless payroll company will not only see thousands of dollars in savings in their actual payroll costs but will also: Reduce greenhouse gas emissions Reduce energy use in all phases of paper and payroll production Save numerous gallons of wastewater for paper production annually Reduce consumption of trees substantially Save their employees time and money while helping the environment Decrease landfill usage This overwhelming evidence of positive environmental benefits and cost-savings for the business makes a compelling argument for paperless payroll. **What Else Can Be Done** The average American office worker uses over ten thousand sheets of paper per year. Besides companies switching to a paperless payroll system, there is a lot that each of us can do to reduce our paper consumption around the office. Print on both sides of a sheet of paper. Use recycled paper whenever you can and recycle whatever paper you use. Use paper properly. Improperly stored paper accumulates dust, dirt and water vapor that leads to paper jams in machines and wasted paper. Choose environmentally responsible suppliers and vendors. Implementing positive environmental processes is not a political issue its a human issue. Switching to paperless payroll through a company like Custom Payroll Associates, Inc. not only saves businesses a little "green", but it creates a safer, healthier "green" living space for us all.

About the Author

Charles J. Read, CPA has been in the payroll, accounting and tax business for 30 years, the last fifteen in private practice. Mr. Read is the author of How to Start a New Business. To find professional payroll service at a budget price go to www.PayrollonaBudget.com a paperless payroll company.

For a full service payroll bureau with CPAs on staff visit www.CustomPayroll.com . See an excerpt of Mr. Reads interviews from William Shatners Heartbeat of America television show on the web sites linked above.

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