# Payroll Accounting, 2014 Edition

Net Activities Solution

# CHAPTER 1

1. The American Payroll Association, <http://www.americanpayroll.org/> uses Pearson VUE testing service for the Fundamental Payroll Certification (FPC) exam and the Certified Payroll Professional (CPP) exam (<http://www.vue.com/>).

Go to <http://www.americanpayroll.org/>and find the following information:

* 1. **What are the eligibility requirements for sitting for the Fundamental Payroll Certification (FPC) exam?**

*According to:* [*http://www.americanpayroll.org/pdfs/certification/fpc\_handbook.pdf*](http://www.americanpayroll.org/pdfs/certification/fpc_handbook.pdf) *the FPC Examination is open to all those who wish to demonstrate a baseline of payroll competency. The only “requirement” is an interest in Payroll.*

* 1. **What additional requirements are needed to sit for the Certified Payroll Professional (CPP) exam?**

*According to:* [*http://www.americanpayroll.org/pdfs/certification/cpp\_handbook.pdf*](http://www.americanpayroll.org/pdfs/certification/cpp_handbook.pdf)

*The Certification Board’s CPP Committee of the APA requires that payroll professionals fulfill* ***ONLY ONE*** *(1) of the following criteria before they take the Certified Payroll Professional (CPP) Examination.*

***Criterion 1***

*The payroll professional has been practicing payroll a total of three (3) of the five (5) years preceding the date of the examination. The practice of payroll is defined as direct or related involvement in at least one (1) of the following:*

* *Payroll Production, Payroll Reporting, Payroll Accounting, Payroll*
* *Systems, and Payroll Taxation*
* *Payroll Administration*
* *Payroll Education/Consulting*

***Criterion 2***

*Before taking the examination, the payroll professional has been employed in the practice of payroll as defined in Criterion 1 for at least the last 24 months and has completed, within the last 24 months, ALL of the following four (4) courses offered by the APA:*

* *Payroll Practice Essentials (3-day course)*
* *Intermediate Payroll Concepts (2-day course)*
* *Strategic Payroll Practices (2-day course)*
* *Advanced Payroll Concepts (2-day course)*

***or the following two (2) courses offered by APA:***

* *Payroll 101: Foundations of Payroll Certificate Program*
* *Payroll 201:The Payroll Administration Certificate Program*

***Criterion 3***

*Before taking the examination, the payroll professional has been employed in the practice of payroll as defined in Criterion 1 for at least the last 18 months, has obtained the FPC, and has completed, within the last 18 months, ALL of the following three (3) courses offered by the APA:*

* *Intermediate Payroll Concepts (2-day course)*
* *Advanced Payroll Concepts (2-day course)*
* *Strategic Payroll Practices (2-day course)*

***OR***

* *Payroll 201: The Payroll Administration Certificate Program*

*Eligibility criteria should not be considered as the only criteria for preparation for the CPP exam. Candidates for the CPP exam, qualifying through any of the criteria, should be aware that a number of study aids are available as added preparation for the CPP Examination. No one source should be considered the only basis for preparation. Successful candidates indicate that they pursued at least a three-month minimum course of study and review based on the CPP examination content outline (see page 2).*

*Individuals meeting any one of the three (3) criteria are eligible to take the CPP Examination. Payroll professionals who are currently certified and are applying for recertification through examination or continuing education are exempt from the above requirements. The Certification Board’s CPP Committee reserves the right to review an applicant’s qualifications and eligibility.*

* 1. **What should a student study before taking the FPC exam?**

*According to:* [*http://www.americanpayroll.org/pdfs/certification/fpc\_handbook.pdf*](http://www.americanpayroll.org/pdfs/certification/fpc_handbook.pdf)

*A number of study aids are available for the candidate for the FPC Examination.* ***No one source should be considered the only basis for preparation.*** *When you study, you should use a number of references to ensure a wide diversity of information. A list of materials appropriate for study may be found at:* [*http://www.americanpayroll.org/pdfs/certification/fpc\_handbook.pdf*](http://www.americanpayroll.org/pdfs/certification/fpc_handbook.pdf) *Page 22.*

* 1. **Where is the location of the closest exam center for the Fundamental Payroll Certification (FPC) exam in your area?**

*The VUE test centers may be located at:* [*http://www.vue.com/vtclocator/*](http://www.vue.com/vtclocator/%20)

* 1. **When must you register for the exam?**

*Call Pearson VUE at (800) 470-8757 at least one (1) business day before the desired examination date to make an examination reservation.*

1. Go to <http://www.eeoc.gov/policy/vii.html>. Answer the following questions:
   1. **Under what conditions may an employer pay different wages to employees of opposite sex?**

*When religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of that particular business or enterprise.*

* 1. **Name two examples where gender may be a bona fide occupational requirement for the job.**

*Students could come up with some interesting responses. One example is where authenticity is required; a female actor for a female role for instance. Another is privacy issues; a male attendant in a male locker room. It is also acceptable for a kosher deli to require its butchers to be Jewish males. Race and color are never considered bona fide occupational qualifications.*

1. Go to <http://www.google.com/> and search for “civil rights act of 1964”. Find an appropriate link that assists you in answering the following questions:
   1. **What does discrimination mean to you personally?**
   2. **What does discrimination mean according to the law?**
   3. **Discuss a circumstance where you or someone you know was discriminated against.**

*Students will have different personal opinions on discrimination, but here is what the law says:*

*It shall be an unlawful employment practice for an employer (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.*

[*http://www.law.cornell.edu/uscode/42/2000e-2.html#a*](http://www.law.cornell.edu/uscode/42/2000e-2.html#a)

[*http://www.eeoc.gov/laws/statutes/index.cfm*](http://www.eeoc.gov/laws/statutes/index.cfm)

1. Go to a search engine such as <http://www.google.com/> and search for “illegal employment questions.” Answer the following questions.
   1. **List five examples of illegal employment questions.**
   2. **Why do you think these questions are or are not legal to ask prospective employees?**

**a.** and **b.**

*Illegal interview questions are those that single you out based on your age, race, gender, disability, religion, marital status, or a variety of other reasons that are contrary to equal employment opportunity and anti-discrimination laws. Several examples include the following:*

* + *“Are you married?” (marital status, sexual preference discrimination)*
  + *“With whom do you live?” (marital status, sexual preference discrimination)*
  + *“Is this your maiden or married name?” (marital status, sexual preference discrimination)*
  + *“Where were you born?” (national origin discrimination)*
  + *“Where are your parents from?” (national origin discrimination)*
  + *“Are you a U.S. citizen?” (U.S. citizenship not required to work in the United States)*
  + *“How old are you?” (possible age discrimination)*
  + *“Have you ever been treated for a mental condition?” (possible ADA violation)*

*Resources:*

[*http://www.eeoc.gov/facts/qanda.html*](http://www.eeoc.gov/facts/qanda.html)

[*http://www.alllaw.com/articles/employment/article14.asp*](http://www.alllaw.com/articles/employment/article14.asp)

**c. Have you ever been asked an illegal question when applying for employment?**

**d. Did you answer the illegal question? Why or why not?**

**c.** and **d.**

*Many employment applications still request date of birth and sex, which is often needed AFTER HIRE for insurance or statistical purposes. Often prospective employees will answer these questions for fear of not getting the job if they don't answer. Some examples of what to do if asked an illegal employment question can be found here:*

[*http://www.collegegrad.com/ezine/23illega.shtml*](http://www.collegegrad.com/ezine/23illega.shtml)

1. Search “Payroll Security” at <http://www.google.com/>. Answer the following questions:
   1. **Why does a payroll system need security or controls?**

*Payroll systems allow almost direct access to cash, a highly desired commodity.*

* 1. **List three controls that you would want to have on your payroll system.**

*Suggestions are listed below:*

* + *Proper training of payroll staff*
  + *Separation of duties when preparing payroll forms*
  + *Prior approval of overtime*
  + *Supervisor approval of time cards*
  + *Supervisor approval of vacation pay*