

Quarterly Tax Reports online

Are you accessing your Quarterly Tax Reports online? Do you need your accountant to have access to these reports online? Just download an Access Authorization form from our *IOIPay* website, Clients section under Form Downloads, complete, sign and fax to us at 574-206-0072.

Change in HSA Contribution limits and reported as personal income on tax returns

For 2007, if employees have self-only high deductible health plan (HDHP) coverage, their contribution limit is \$2,850. If they have family coverage, the limit is \$5,650. These contributions are allowed regardless of the employees' HDHP deductible. Before 2006, the contribution could not exceed the deductible of the HDHP.

Account holders must file Form 8889 as part of their annual tax return.

A New Type of Federal Payroll Tax

The vast majority of Federal payroll taxes are reported as 941 taxes. The IRS implemented a new type of Federal payroll tax effective 1-1-06. It is called a 944 tax. This tax is for small businesses that had less than \$1,000 in Federal payroll tax liability (Federal income tax, Social Security tax and Medicare tax) in the prior year. The IRS sent notification to affected employers in February of this year informing them of the filing requirement change. This means that quarterly reporting on Federal 941 forms is no longer required. These taxes should have been reported on an annual 944 form which was due on 1-31-07. The tax payment was due at that time as well. According to the IRS, the purpose of this

change is to reduce and simplify employment taxes for small business employers. HOWEVER, if the employer anticipates growth that will cause employment taxes to exceed \$1,000 during the year, the IRS should have been notified by 4-1-06 to change the filing requirement.

If you received this notification from the IRS, please contact either Barb Bergen at 574-206-2361 or Carol Sanders at 574-206-2360 directly in the Tax Services Department. Our toll-free phone number is 888-697-0021.

It's fairly assured that enough confusion has been caused by this conflicting directive that further clarification will be forthcoming. *IOI* will keep you informed as additional information is available. @



@ your Service

From Interlogic Outsourcing, Inc.

A timely digest of information relevant to executives and consultants involved in financial operations and human resources.

Vol. 5, No. 1 — 2007

Fast Forward

Client Profile: Bethel College

At first glance, Bethel College seems like a quiet, leisurely academic community. In reality, the college is driven by an energetic sense of purpose that has fueled its growth for six decades. Founded in 1947, Bethel is a liberal arts college with an evangelical Christian mission rooted in its affiliation with the Missionary Church. The college's vision to achieve excellence while following a higher call is evident in its motto: "Forward, with Christ at the Helm."

Bethel's peaceful, wooded campus is surrounded by a bustling urban community in Mishawaka, Indiana. The college's enrollment has grown from 550 students in 1989 to nearly 2,000 today, and has evolved into a balanced mix of traditional and adult students. According to Lisa Malkewicz, Bethel's human resources director, "we truly are a community, and people here have a special regard for one another."

Prior to joining Bethel, Malkewicz worked in the for-profit world. While the core motives of educational institutions and profit-driven companies differ, she recognizes some common realities – time and money are limited and a strong workforce is essential. During her two years at the college, Malkewicz has enjoyed the opportunity to make a difference in both areas. She is building a new model for the human resources function and refining systems to be more time and cost efficient.

Efficiency is a key reason Malkewicz believes in the value of outsourcing.



Bethel's human resource director, Lisa Malkewicz (l) and payroll manager, Cindy Kuehn (r).

"We're in the business of education, not in the business of payroll. By outsourcing, it allows us to stay more focused on strategic issues for the college." Upon arriving at Bethel,

Malkewicz analyzed the college's systems and services and quickly noticed some cost-saving opportunities. "I knew we were spending too much with our payroll provider," she says.

Once they decided to consider new options and providers, Bethel was interested in exploring specific solutions. Web-based services were attractive because they allowed users to access the system from multiple locations, and the software was automatically upgraded by the provider. Malkewicz and her team were also interested in an HRIS system that could store and track information such as benefits, training, and performance planning – information they had been storing in separate databases – through a single source.

Other top priorities for the college included automating and streamlining record keeping by interfacing payroll with their administrative software, and integrating their accounting software with general ledger software. User defined security access, where supervisors can view student worker information, and the ability to adjust adjunct professors' payroll according to their contract end dates were benefits that helped Bethel realize even more flexibility, capability and savings.

The switch to *IOI* resulted in immediate, and significant, savings. "We saved over \$12,000 the first year, improving our processes and increasing our capabilities," says Malkewicz.

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Always Unlearning

Notes from the President
By Najeeb A. Khan, President

Dear Clients,

In this issue of @ your Service we introduced you to Bethel College, an institution dedicated to critical thinking and the pursuit of knowledge. Working with an educational institution is an energizing opportunity because it reminds us that learning is an ongoing, dynamic process.

At IOI, learning is a cornerstone of our organization, as we keep pace with constantly changing needs and opportunities in servicing our clients. You are some of our “teachers” in this endeavor. Your needs are our lessons. One recent learning opportunity came from your requests for a more streamlined system to add new employees. You will notice in our “Tips & Tools” column that we recently launched New Hire Express in response to those requests.

If you are considering ways to conserve resources, I think you will appreciate the tips in this issue that explain how you can move toward a paperless office by using IOIPay’s online archives.

As you are well aware, when the subject is taxes, the lessons are unending. We hope the information and tips we share in @ your Service help you navigate the complexities of tax requirements. We encourage you to call with any questions or comments. We’re always learning from you, so we value your opinions.

In closing, let me express my sincere thanks for entrusting us with your needs. You help us learn every day, and we hope you find opportunities to learn and grow with us.

Sincerely,
Najeeb A. Khan
President



IOI Updates

New Office Locations

Grand Rapids Location

4595 Broadmoor
Suite 295
Kentwood, MI 49512
Main: (616) 871-0713
Fax: (616) 871-0717



Chicago Location

225 West Washington
Suite 2200
Chicago, IL 60606
Main: (312) 924-2885
Fax: (312) 924-0201



Phoenix Location

1414 West Broadway Rd.
Suite 220
Tempe, AZ 85282
Main: (602) 279-0786
Fax: (602) 279-0769

Upcoming Shows/Events

5/22-5/26
American Payroll Association
Congress Conference



5/30-6/2
DISC Conference
(Diocesan Information
Systems Conference)

A Timely Reminder

To ensure payroll is processed in a timely manner, and direct deposits are sent ACH within financial origination deadlines, payrolls should be submitted and closed by 3:00 p.m. EDT. Our goal is to provide the best possible service and we know the most important aspect is to ensure your employees are paid accurately and on time!

IOI Pay™ Tips & Tools

New Hire Express

You asked for a short cut – and we heard you! Check out the New Hire Express – created to shorten the time and steps to get your new hires entered into IOIPay! Take advantage of a quick, single screen to improve processing!

HRIS – Human Resource Information System:

Did you know that IOIPay has over 20 configurable data fields to track specific employee personnel information, including emergency contact information, that can be accessed through IOIPay 24/7? Besides screens that track employees’ salary history, compliance information, performance reviews, training and property – it allows for labeling miscellaneous date fields and setting up company tables that match your departments, locations, supervisors and termination reasons. Track everything from dates to emergency phone numbers as well as events for your employees. For more information contact your IOI representative today.

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Fast Forward

Cindy Kuehn, Bethel’s payroll manager, saw cost and time savings in the individual IOI products, and in how they were “bundled.” IOI provides many reports that are pre-written based on customers’ most common needs, and they are packaged for convenience and savings. “With our other provider, we had to write our own reports, and we had to pay separately for each one,” says Kuehn.

The savings realized through making the switch allowed Bethel to work through IOI to implement an automated time keeping system, a solution that Malkewicz says turned out to be “a huge savings of time.” According to Kuehn, IOI’s online service delivers the time savings they sought. “All the functionality of the program is available through the Web,” Kuehn notes, “so I can work anywhere I have Internet access.”

While Malkewicz was impressed by IOI’s services, she was even more impressed by

HR Reporting

IOIPay offers an easy way for you to access your current and archived Payroll/HR reports. All information is stored for multiple years for easy retrieval via IOIPay Browse/Print reports. Also, report on various data utilizing IOI’s Intelligence Center to pull from specific data field.

Ready to Go Green – Environmentally Speaking?

Two easy ways to work towards a paperless environment!

Decrease the number of reports you receive and save on storage space at the same time? By using IOIPay’s online archive to access prior payrolls and specific reports, you can eliminate the need to file hard copy reports for retention records. With just a phone call to our Customer Service department or an email to payroll.support@ioipay.com you can indicate which report(s), for which divisions, you want us to turn off from

printing – they will still be available online – all we need is the report identifier, such as: GENLBR on the top left corner of the report.

Another way to save paper is to notify your employees who use direct deposit and IOI’s Employee Self-Service that they can choose not to print their pay stubs! More often than not, employees simply look at the amount deposited and pay stubs get tossed in the drawer, or in the trash. Employees can access their pay stub history online for multiple years and print whenever needed! @



the responsiveness of the IOI staff. “They are not just out to sell a product. They took a lot of time to listen and work within parameters that met our needs,” she says. Kuehn also cites service as an advantage. She appreciates reaching a familiar – and live – voice when she calls for support. “With our other provider, we called an 800 number and never knew who we would end up talking to. At IOI, you have the option of speaking with the same service associate(s) each time. They get to know you and your business.”

Continuous improvement is at the heart of Bethel’s mission and it is a hallmark of IOI’s service philosophy. According to Malkewicz, that forward-thinking, customer-responsive approach is a key benefit. “IOI is able to keep their products upgraded and to stay current with payroll issues in ways that we cannot. They also survey their customers to see what they

value, referencing this information as they consider new enhancements for future upgrades.”

Bethel continues to upgrade its capabilities ahead of the pace of similar institutions. With automated time systems and a proposed automated performance management system ready for implementation, Bethel’s processes are actually more sophisticated than most larger colleges and universities. “For a small college coming out of a very traditional background, we have become very progressive,” Malkewicz notes. “We are really ahead of the curve in many respects.”

Getting ahead of the curve is a result of dedicated effort and forward thinking. Thanks in part to the relationship with IOI, Bethel is moving forward at an astounding pace. @