

Restaurant Payroll Audit

- **Wage & Hour Issues**
 - “Other” wages should be Regular wages and included in OT / other calculations
 - Wrong “total hours” being reported and used in calculations
 - Regular hours > 40, but Employer is not paying OT
 - Wrong OT rate – some examples include:
 - Sub Min Wage employees being paid time and ½
 - OT rate should be a blended OT rate and it is not
 - Rate is below current State / Federal minimum wage
 - Tipped, Non-tipped, Salary
 - Tipped employees are being paid above minimum wage
 - Employer is not taking full tip credit
 - Non-exempt employees paid a salary or shift pay, not hourly
 - Are salaried employees truly “Non-exempt”
 - Spread of Hours not being reported
 - Call-In Pay not being reported

- **Tip Issues**
 - No tips / not all tips are being reported – Cash and/or Credit Card
 - Not enough tips reported to cover minimum wage
 - Minimal tips reported - % to sales
 - Direct tips and Indirect tips not being reported properly – needed for annual 8027 filing
 - No FICA Tip Tax Credit reporting
 - Issues pertaining to “Zero checks” - Un-withheld taxes, disability insurance, deductions
 - Credit Card processing fee is not being deducted

- **Meal Issues**
 - Employer not deducting for meals at all or doing so incorrectly
 - Employer is reporting “plus” meals only
 - Not reporting meals at all or partially reporting meals
 - Deducting meal as after tax deduction
 - Reporting wrong meal value

- **Uniform Issues**
 - Invalid deductions
 - Incorrect maintenance allowance rates
 - Unnecessary maintenance allowance

- **General Issues**
 - Payroll frequency
 - No departmental breakdown / classification – affects WC rates, reporting, etc.
 - Incorrect Reporting of hours / Rounding of hours
 - Wage Theft Prevention Act guidelines and notifications