

# Understanding aACE and Payroll Processing

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This guide explains the relevant issues regarding payroll processing for aACE users. It is intended for system administrators.

aACE itself does not process payroll transactions (e.g. direct deposits, tax withholdings, etc.). Payroll processing can be a lucrative service for software providers; however, we perceive such functionality as adding little value to the aACE ecosystem – a single team member can complete payroll processing tasks using another service with relatively minimal effort every few weeks.

Instead, our focus is on optimizing daily operations to save as much time for as many users as possible. This anchors our attention, so we leave payroll processing to other providers.

## Options for Payroll Processing

For payroll processing requirements, aACE customers can use one of several available options, some of which entail a minimal cost:

- A payroll service such as [ADP](https://www.adp.com/) (<https://www.adp.com/>), [Paychex](https://www.paychex.com/) (<https://www.paychex.com/>), etc
- A professional employer organization (PEO) such as [Justworks](https://www.iustworks.com/) (<https://www.iustworks.com/>)
- Another solution designed exclusively for the task such as [Patriot Software](https://www.patriotsoftware.com/payroll/software/) (<https://www.patriotsoftware.com/payroll/software/>)

## Payroll Processing Integrations

We do not currently offer or have plans to develop integrations with existing payroll providers. As things stand, we do not have enough customers using the same provider to warrant building an integration. These existing customers are unlikely to switch to a different provider since the benefit would be relatively minimal. Similarly, most of our prospective customers have also already outsourced their payroll needs to another service they are happy with.

Our plans to develop integrations may change in the future as our customer base grows and if more customers use the same provider.

## Payroll Tasks in aACE

aACE *does* feature many time-tracking tools which *do* post expenses to the respective jobs.

aACE time-tracking simply credits an “accrued wages” account, with you can then debit when you enter your periodic general journal entries.

Typically the workflow for payroll in aACE is to:

1. Export time records from aACE’s Timesheets module, if applicable. This step is generally not required for salaried employees unless there are OT considerations.
2. Create the necessary general journal entries, one for each pay period. These can typically be semi-automated through aACE’s [recurring transactions](https://aace5.knowledgeowl.com/help/working-with-recurring-transactions) (<https://aace5.knowledgeowl.com/help/working-with-recurring-transactions>) module.

For details on the accounting side (i.e. how costs for time captured in aACE flow into the GL), read our guide on [understanding time management](https://aace5.knowledgeowl.com/help/understanding-and-working-with-time-management) (<https://aace5.knowledgeowl.com/help/understanding-and-working-with-time-management>).

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