



Accounting II - Simplified for You

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Payroll Expense Independent Contractor



Payroll

- Expenses incurred and paid for services rendered by employees.

☐ Salaries — managerial & administrative employees

☐ Wages — generally classified as manual labor.
Payment is calculated on hourly basis.

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Payroll Frequency

- Weekly
- Bi-Weekly
- Semi-Monthly
- Monthly
- Quarterly

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Payroll

- **Gross Pay** – total earnings of an employee in a pay period


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- **Deductions** – amounts deducted from employee's gross pay
- taxes, insurance payments, contributions, etc.

- **Net Pay** – the amount employee receives



Independent Contractor



Consulting

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- Freelancers
- Self-employed
- Receives full amount of contracted amount
- Responsible for paying his/her income taxes through personal income tax return



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Accounting II - Simplified for You

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Keep
Educating
Yourself

