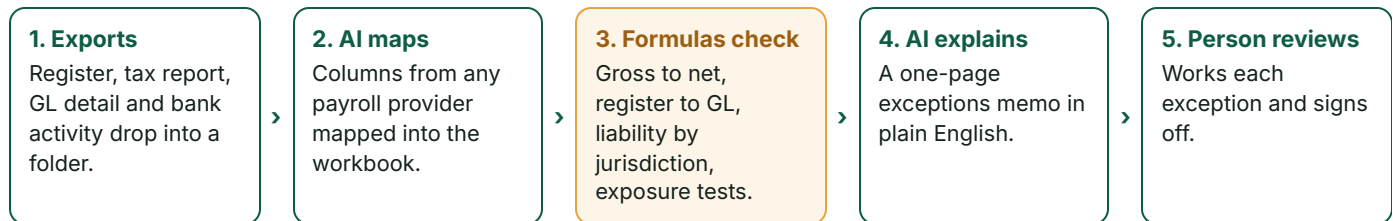




AI WORKFLOW FOR FINANCE TEAMS

The Monthly Payroll Tie-Out

Reconcile gross to net every pay date, and payroll tax liability by jurisdiction every month, so a missed deposit or an unregistered state shows up this month instead of in an agency notice two years from now. The spreadsheet does the math. AI does the reading and the explaining. A person reviews.



What goes in each month

Exports only, no retyping:

- ☐ **Payroll register** for every pay date in the month: gross, each tax, each deduction and net, by employee and by work state and locality.
- ☐ **The payroll provider's tax report:** liabilities and deposits by tax and by jurisdiction.
- ☐ **GL detail** for the payroll expense and liability accounts.
- ☐ **Bank activity:** net pay funding and tax debits.

The checks, in order

1. Gross to net, every pay date

Gross wages – employee taxes – pre-tax deductions – post-tax deductions = net pay. Net pay must then tie to the bank debit for direct deposits and checks on that date.

2. Register to GL

Gross wages, employer taxes and each liability account agree to what was booked, by department if you allocate.

3. Tax liability by jurisdiction: the one that prevents penalties

For each tax and each agency:

Tax	Liability	Deposited	Difference
Federal income tax withheld + FICA (employee and employer)	From the register	From the tax report and bank	Should be zero, or only the current undeposited period
FUTA			
Each state's income tax withholding			
Each state's unemployment (SUI)			
Local taxes, where they apply			

The rule: the payroll tax liability on the GL should equal only what isn't due yet. Any amount older than its deposit due date is a red flag. Catching a late or missing deposit the month it happens is a small fix. Finding it from an agency notice later means penalties and interest.

4. The checks that catch future liabilities before they build up

Check	What to look for
New-state exposure	An employee's work state has no registered withholding or SUI account. Common with remote hires. Even a full-service provider can't deposit to a state where you haven't registered.
Rate changes	This year's SUI rate notices compared with the rates set in the payroll system.
Wage base caps	Social Security, FUTA and each state's SUI wage base. The system should stop withholding at the cap, and not before.
Benefit remittances	401(k) and health deductions compared with what was actually sent to the plan, and how quickly. Late 401(k) deposits are their own compliance problem.
Quarter and year end	The register ties to Form 941 and the state returns before they're filed, and to the W-2s at year end.

Where AI fits, and where it doesn't

1. You drop the month's exports into a folder.
2. AI maps the columns. Every provider lays out its exports differently, and that tedious mapping is what AI does well. The rows go into a workbook where **formulas do every check above**. The AI never does the arithmetic.
3. AI drafts the exceptions memo, for example: *"Arizona withholding of \$4,212 unremitted since August 15. Employee J. Ortiz shows a work state of Texas but there is no Texas SUI account. The SUI rate in the payroll system is 2.7% vs. 3.1% on this year's notice."*
4. A person reviews the memo, works each exception and signs off.

Run monthly, this can be a scheduled task: same folder, same prompt, a memo in your inbox on the 5th.

Even with a full-service payroll provider. Providers such as ADP, Paychex and Gusto file and deposit for you, and usually cover penalties caused by their own errors. But agency notices still come to the employer, and registration gaps, outdated rates and missing account numbers are generally the employer's responsibility, not the provider's. That's why this tie-out matters even with a good provider.

What never goes into an AI tool

Social Security numbers, bank account numbers and full employee addresses. Export the register with an employee ID or name, work state and the dollar columns only. The tie-out doesn't need anything else.

The workbook and the monthly prompt are on the CFO Resource workflow library: cforesource.ai/library. Free weekly newsletter: cforesource.ai/subscribe.

CFO Resource · Dan Allen, CPA (Retired) · cforesource.ai. Educational content, not tax, legal or accounting advice. Payroll tax rules vary by jurisdiction and change; confirm requirements with your payroll provider and tax adviser. Example figures are fictional.