**Activity 4.1.5 – Control Systems in Payroll Bank Accounts**

Purpose: Demonstrate understanding of payroll bank accounts.

Lead a class discussion about the use of a special account for payroll. Point out the advantages and need for having a payroll control system in place.

Demonstrate writing the check for net pay from the general account. This amount is then deposited in the payroll account. Only that exact amount can be written from the account. This helps control unauthorized payments as well as keep it in balance. The payroll account preprinted checks are different from the general account checks. Demonstrate the difference in the checks using the projector or overhead.

Discuss different methods of disseminating employee payroll checks, including direct deposit, electronic funds transfer and mail.

Ask your students these questions:

* Why is there a need for a special account for payroll rather than just writing payroll checks directly from the general account?
* The check written from the general account is written for what amount?
* What is different in the preprinted checks from the general account and the payroll account?

What is the most common method of disseminating payroll checks today? Why?