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| **TEXAS CTE LESSON PLAN**  [www.txcte.org](http://www.txcte.org) | |
| **Lesson Identification and TEKS Addressed** | |
| **Career Cluster** | Finance |
| **Course Name** | Accounting I |
| **Lesson/Unit Title** | Preparing Payroll |
| **TEKS Student Expectations** | **130.187 (c) Knowledge and Skills**  (4) The student uses equations, graphical representations, accounting tools, strategies, and automated systems in real-world situations to maintain, monitor, control, and plan the use of financial resources. The student will complete an accounting cycle for a service business. The student is expected to:  (E) post journal entries to general ledger accounts; and  (G) prepare a trial balance.  (10) The student completes payroll procedures to calculate, record, and distribute payroll earnings and analyzes the impact of these expenses on a company's financial position. The student is expected to:  (A) interpret time cards to calculate hours worked;  (C) calculate employee earnings, including gross earnings, withholdings, and net pay; and  (E) calculate employer payroll taxes. |
| **Basic Direct Teach Lesson**  (Includes Special Education Modifications/Accommodations and  one English Language Proficiency Standards (ELPS) Strategy) | |
| **Instructional Objectives** | **Performance Objective:**  Upon completion of this lesson, students will learn payroll procedures from the point of entry with a time card through calculating payroll, preparing payroll records and special controls on payroll bank accounts.  **Behavioral Objectives**:   * Calculate hours worked using a time card. * Calculate employee payroll and payroll taxes. * Calculate total deductions. * Calculate gross and net pay. * Prepare a payroll register. * Discuss controls used in payroll checking accounts. |
| **Rationale** | Employees need to be able to rely on being paid on a consistent basis without delays. Payroll affects every aspect of a business from the morale of employees to the financial stability of a company. This lesson will demonstrate the importance of payroll and how to conduct various payroll procedures accurately so that employees are paid the right amount of money, and state and federal tax deposits are made on a timely basis. |
| **Duration of Lesson** | Teacher’s Discretion |
| **Word Wall/Key Vocabulary**  *(ELPS c1a,c,f; c2b; c3a,b,d; c4c; c5b) PDAS II(5)* | * Salary * Pay period * Payroll * Total earnings * Payroll taxes * Withholding allowance * Medicare * FICA tax * Federal unemployment tax * State unemployment tax * Payroll register * Tax base * Net pay * Automatic check deposit * Employee earnings record * FIT tax * Gross earnings * Wage * Time card * Commission * Overtime rate * Deduction * Allowance * Direct deposit * Employee’s earnings record * Accumulated earnings * Salaries expense * FUTA * SUTA * Payroll tax expense * Federal tax deposit coupon * Form 940 * Form 941 * Form W-2 * Form W-3 * Direct deposit |
| **Materials/Specialized Equipment Needed** | Materials, Equipment and Resources:   * Textbook * Guest Speaker * Internet * Index Cards * Ring to hold index cards * Spreadsheet software * Database software |
| **Anticipatory Set**  (May include pre-assessment for prior knowledge) | Have each student gather information from a business on how the business’s employees report their time. Have them include why they chose this particular type of input for reporting work hours as well as other types of reporting they have used. Include in the report the length of pay period they use in the business. Your students can get their information from a Manager or Assistant Manager by telephone interview, personal interview, or e-mail contact.  Ask students to report their findings to the class in a short presentation. |
| **Direct Instruction \*** | Introduction to payroll procedures with a beginning emphasis on terminology related to payroll. Students learn how to calculate hours worked using a time card and use that calculation to calculate gross pay. The lesson also covers calculating payroll taxes and adding in other types of deductions. Students complete payroll registers using all the above skills as well as learn control systems used in payroll payment.  **Activity 4.1.1 and 4.1.4 and 4.1.5** |
| **Guided Practice \*** | * Discussion * Observation * Demonstration * Questioning |
| **Independent Practice/Laboratory Experience/Differentiated Activities \*** | **Activity 4.1.2 and 4.1.3** |
| **Lesson Closure** |  |
| **Summative/End of Lesson Assessment \*** | 1. Observation 2. Graded Assignments 3. Quiz on Terms Related to Payroll 4. Quiz on Formulas for Payroll |
| **References/Resources/**  **Teacher Preparation** | Textbooks:  Guerrieri, Donald J., Haber, Hoyt, Turner. Glencoe Accounting Real-World Applications and Connections. Glencoe McGraw-Hill, 2000. ISBN/ISSN 0-02-815004-X.  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 Accounting Multicolumn Journal Anniversary Edition, 1st Year Course. South-Western Educational and Professional Publishing, 2003. ISBN/ISSN: 0-538-43524-0  Ross, Kenton, Gilbertson, Lehman, and Hanson. Century 21 General Journal Accounting Anniversary Edition, 7th Edition. South-Western Educational and Professional Publishing, 2003. ISBN/ISSN: 0-538-43529-1.  Websites:  Mt. Nebo Accounting Simulation. Carl Lyman, 2009.  Business Partners:   * Accountant * Payroll Clerk |
| **Additional Required Components** | |
| **English Language Proficiency Standards (ELPS) Strategies** |  |
| **College and Career Readiness Connection[[1]](#footnote-1)** |  |
| **Recommended Strategies** | |
| **Reading Strategies** |  |
| **Quotes** |  |
| **Multimedia/Visual Strategy**  **Presentation Slides + One Additional Technology Connection** |  |
| **Graphic Organizers/Handout** |  |
| **Writing Strategies**  **Journal Entries + 1 Additional Writing Strategy** |  |
| **Communication**  **90 Second Speech Topics** |  |
| **Other Essential Lesson Components** | |
| **Enrichment Activity**  (e.g., homework assignment) |  |
| **Family/Community Connection** |  |
| **CTSO connection(s)** | Business Professionals of America  Future Business Leaders of America |
| **Service Learning Projects** |  |
| **Lesson Notes** |  |

1. Visit the Texas College and Career Readiness Standards at <http://www.thecb.state.tx.us/collegereadiness/CRS.pdf>, Texas Higher Education Coordinating Board (THECB), 2009. [↑](#footnote-ref-1)