DIRECTOR'S HANDBOOK

Operating manual for the payroll administrator

CHECKMATE PAYROLL

Generated 16 September 2026 · reflects the live configuration

This handbook is generated from the running system. Every figure, flag and click-path below was read out of the engine at the moment of export, so it cannot drift from what the software actually does. Regenerate it after any configuration change.

1 · THE FOUR-STEP LAUNCH CHECKLIST

The dashboard tracks these four steps and Checkmate Buddy opens automatically with the unblock instruction whenever one is BLOCKED. A step marked BLOCKED stops payroll; PENDING is a warning you can proceed past.

STEP 1 · BUSINESS PROFILE & EIN

Company → Company Settings. Enter the legal name, EIN, street address, city, state and ZIP, then Save. Payroll refuses to issue a printed paycheck without an EIN and a full business address, because both are legally required on the stub itself.

STEP 2 · BANKING & FUNDING SETUP

Company → Funding Source. Choose one of the two Dual-Fuel rails. Business Debit Card stores a Stripe payment-method token (never the card number) and arms Instant Delivery. Linked Bank Account pre-funds by ACH and clears in roughly 48 hours. Without a rail, payroll has nothing to draw from.

STEP 3 · EMPLOYEE ROSTER IMPORT

Employees → Add Employee. Name, hire date, filing status, pay rate and worksite are enough to begin. Direct-deposit employees land with a DORMANT payment rail by design — see section 3 for how to arm it. Payroll will refuse to pay a dormant rail.

STEP 4 · FIRST PAYROLL RUN

Payroll Runs → Launch Wizard. Pick the pay period, clear the pre-flight check (it flags zero-hour and zero-rate employees before any money moves), review the fee panel, then sign off. You can save a draft at any step and return to it.

2 · ADMIN SEARCH & PDF STUBS

Pay Stubs is the historical ledger: every stub ever issued for this company, newest first, never truncated silently.

FINDING A STUB

- Open Pay Stubs from the sidebar.

- Type into the EMPLOYEE / CHECK # box. It matches first name, last name, email or check number, and a full name such as "Jordan Rivera" works because every word you type must match. Search is case-insensitive and partial.
- Narrow by PAY DATE FROM and PAY DATE TO. Either bound works on its own.
- The counter on the right shows how many stubs matched plus the gross, tax and net totals for that filter — use it to reconcile a period without exporting.
- CLEAR resets the search and the date range together.

DOWNLOADING THE PDF

- Every row carries a PDF action. It renders on demand from the stored stub, so a reprint years later is byte-for-byte the same document.
- VIEW opens the on-screen stub; RELEASE publishes it to the employee and emails it; SEND EMAIL re-sends an already-released stub.
- A stub marked HIDDEN has not been released yet. You can still download it — the release gate controls the employee's copy, not yours.

WHAT THE PDF CONTAINS (ZERO-GAP)

Earnings and deductions each print a current-period and a true year-to-date column: Federal Income Tax, Social Security (or the annual-cap notice once the wage base is reached), Medicare, State Tax with the state code, and — whenever the amount is non-zero — State Unemployment, State Disability, Local Income Tax, Paid Family Leave, Long-Term Care, 401(k) and Section 125. Provenance labels record which tax table produced each figure, which is what a CPA or auditor will ask for.

EMPLOYEE SELF-SERVICE LOCK

> **STATUS: LOCKED (launch default). ENABLE_EMPLOYEE_STUB_DOWNLOAD is false, so pay stubs are an admin-issued document. Employees see "Issued by your administrator" in the portal with no history and no download, and the API refuses a direct link with 403. They receive each stub by email when you press RELEASE. To open self-service, set ENABLE_EMPLOYEE_STUB_DOWNLOAD=true in the deployment secrets and redeploy — no code change is required.**

3 · MANUAL STRIPE ACH VERIFICATION (PLAID-FREE PATH)

Plaid instant linking is the happy path. When Plaid is unavailable — or the employee's bank is not supported — verify the account manually with Stripe micro-deposits. Only an administrator can do this.

> **PLAID STATUS: configured. Instant linking is available; use manual entry only as a fallback.**

STEP BY STEP

1. Employees → open the employee → PAYMENT RAILS. This is the only place bank numbers can be entered. The employee portal is read-only and masked; never ask an employee to type their own account number.
2. Enter the 9-digit routing number. It is checked against the ABA checksum immediately and the bank name is resolved from a live directory. If the directory is unreachable the screen says so rather than guessing a bank — that is expected, not an error.
3. Enter the account number and select checking or savings. The value is encrypted at rest and only ever displayed masked afterwards.
4. Save. Stripe sends two small micro-deposits to the account. They typically land in 1–2 business days and appear on the employee's bank statement.
5. The rail now shows PENDING VERIFICATION. Payroll will refuse to pay it in this state — that is the guard working.
6. Ask the employee for the two deposit amounts, then enter them on the same Payment Rails panel. A wrong pair is rejected; Stripe limits the number of attempts.
7. On success the rail is marked VERIFIED · STANDARD ACH. Press AUTHORIZE RAIL to make it payable. Proven and authorized are two separate gates on purpose.

> **Any later edit to the routing or account number resets the rail to dormant and requires re-verification. Every change is written to the audit log with masked before and after values.**

STRIPE STATUS: a live key is configured. Micro-deposits are real money movements against your Stripe account.

4 · FUNDING & PAYOUT RAILS

- Business Debit Card arms Instant Delivery. The instant fee is 1.5% with a $0.50 minimum per instant payout and is absorbed by the business — an employee's net pay is never reduced by it. The fee is quoted before you sign off and again per run.
- Linked Bank Account pre-funds by ACH, clearing in roughly 48 hours. ACH timelines are estimates from the network, not guarantees.
- Coverage is checked on the connected account for instant runs and on the platform balance for standard runs. If Stripe cannot be reached, coverage is reported as UNKNOWN rather than assumed — do not sign off on an unknown balance.
- A run where every payout failed is not locked. Use RETRY FAILED PAYOUTS, which only touches stubs that never received a transfer.

5 · THE 2026 TAX ENGINE

- Federal withholding follows IRS Publication 15-T for the pay year. Social Security is 6.2% up to the 2026 wage base of $184,500; withholding stops mid-period the moment year-to-date wages cross the cap. Medicare is 1.45% and never capped.
- All 51 state jurisdictions carry official 2026 figures, plus 19 municipal jurisdictions that apply on top. Open Tax Tables in the sidebar to read the actual brackets, deductions and program rates the engine used, or export them to CSV for your accountant.
- A W-4 Step 2 checkbox routes the employee to the higher federal schedule. A pay year beyond the published tables holds at the latest official schedule and says so on the stub.

6 · TAX FILINGS: 941, 940 + SCHEDULE A, STATE RETURNS

Every return below is filled on the government's own template — the client signs and files the real form, not a lookalike. Checkmate does not transmit returns electronically; that requires an IRS-authorised transmitter.

Quarterly · Form 941

- Advanced Reporting → Form 941 Filing Center → Compliance action. Review lines 1-15, enter deposits, sign on-screen, then GENERATE SIGNABLE PDF — or take the e-file CSV to your portal. Semiweekly depositors get Schedule B attached with day-by-day liability; monthly depositors get line 16. Set the schedule in Company Settings.

Annual · Form 940 and Schedule A

- The FUTA wage base is $7,000 per employee and the net rate is 0.6% after the standard 5.4% state credit. Part 5 (quarterly liability) is completed only when total FUTA tax exceeds $500; Form 940-V is completed only when there is a balance due.
- Schedule A attaches automatically if you paid state unemployment tax in more than one state — the IRS requires it even when every rate is 0.0% — or if you paid wages in a credit-reduction state. Every state where you paid SUTA gets its box marked; reduction states also carry FUTA taxable wages times the DOL rate, and the total flows to Form 940 line 11.

> **Credit-reduction states for 2025 (U.S. Department of Labor, determined 10 November): CA 1.2%, VI 4.5%. The DOL sets this list every 10 November, so for a year it has not yet determined Checkmate applies no reduction and states that plainly rather than carrying last year's list forward.**

Quarterly · state returns

- All 51 jurisdictions are covered, each labelled with its real form number and agency. NY is filled on the state's own fillable template — including Part C, the per-employee wage listing, printed inside the PDF at five employees per page. Columns g-j (gross federal wages and NYS/NYC/Yonkers tax) are 4th-quarter only, per New York's instructions, and Yonkers is separated from New York City automatically.

- Every other agency has retired its paper quarterly form or publishes only a flat print PDF and mandates online filing — California's DE 9 is the well-known case. Those states get a worksheet carrying the exact figures plus a wage-listing CSV for the agency's upload portal, and the worksheet prints the portal address. As agencies publish fillable forms, they move onto the official-template path.

> **The wage-listing CSV contains full Social Security numbers. It is admin-only, every export is written to the audit log, and it should be uploaded to the agency and then deleted from local storage.**

Year-end · W-2, W-3, 1099-NEC

- Advanced Reporting → Year-end statements. Employee copies B, C and 2 are filled on the official IRS W-2 template, two employees per sheet, and are meant to be printed and handed out. Boxes 1/3/5 report the wage bases withholding was actually computed on — never raw gross — with box 3 capped at the year's Social Security wage base, box 12 code D for 401(k) deferrals and box 14 for SDI/SUI/PFL/LTC. Contractors get Form 1099-NEC copies B and 2 once paid $600 or more.

> **Copy A, the W-3 and the Form 1096 are RECORD COPIES ONLY. The IRS prints Copy A in red because the paper form is machine-scannable and a download is not; mailing a downloaded Copy A can draw a penalty. Those pages are watermarked so nobody makes that mistake.**

- Filing is electronic. The EFW2 wage file (SSA Publication 42-007, 512-byte RA/RE/RW/RS/RT/RF records) uploads at ssa.gov/bso — test it in AccuWage Online first — and the IRIS file covers 1099-NECs at irs.gov/iris. Ten or more W-2s or 1099s in a year must be filed electronically. Your BSO User ID is your electronic signature on the file; set it under Advanced Reporting → SSA / IRS submitter or the SSA will reject the submission. Employee copies and electronic filing are both due January 31.
- The wage file and the statements are the only outputs carrying a full Social Security number. They are admin-only, decrypted server-side inside the file itself, and every export is written to the audit log. Upload, then delete your local copy.

Corrections after the copies go out · W-2c, W-3c, corrected 1099-NEC

- Advanced Reporting → Corrected statements. A wrong figure on a filed statement is never fixed by reprinting it — the correction is its own return and must carry BOTH sides of every figure it touches. Record the correction (Checkmate fills the 'previously reported' side from the figures it computed, so the two always tie), then take the W-2c copies B/C/2 for the employee and the EFW2C file for the SSA. EFW2C records are 1024 bytes — twice the 512 of an original EFW2 — per SSA Publication 42-014, and a money box that is not being corrected is left BLANK, never zeroed, because a zero asserts the correct amount is nil.
- A 1099-NEC correction follows the IRS's two-error model. Type 1 (a wrong figure or code) is one replacement form with CORRECTED ticked. Type 2 (a wrong TIN or payee name) is TWO forms — the bad record reproduced with every amount zeroed and CORRECTED ticked, which voids it, then a clean new form with no tick. E-filed corrections go back through IRIS and need no Form 1096.

State wage files · New York and California

> **Neither New York nor California wants an annual state W-2. New York gets it from the SSA's Combined Federal/State program through the RS record inside your EFW2 file; California does not participate at all. What both states DO want is the quarterly wage report, uploaded.**

- Advanced Reporting → State wage upload files. New York's file is the NYS-45 upload in Publication 72.5 layout — 512-byte RA/RE/RS/RV/RZ records, state code 36, Parts A, B and C in one submission — and California's is the DE 9C in ICESA format, 275-position Code E / Code S / Code T records. California e-filing is mandatory and the penalty is $20 per wage item. Both files carry full SSNs and every export is audited.

The January checklist

- Advanced Reporting → January checklist, plus a one-page PDF. Every line is computed from the live system — headcount, employees with no SSN on file, whether your BSO User ID is set, which quarters the filing tracker already shows filed — so it cannot tell you to do something you have done or call you ready when a figure is missing. Deadlines shift to the next business day using the same rules as the alerts bell and the .ics calendar.

> **Generating a form or a wage file is not an agency accepting it. Upload the EFW2 at ssa.gov/bso and the IRIS file at irs.gov/iris, and keep the confirmation.**

Deadlines

- Advanced Reporting → Upcoming deposits & returns shows what is due and the liability behind it, and the same rules drive the alerts bell. EXPORT FILING CALENDAR downloads the whole year as an .ics for Google, Apple or Outlook: deposits (semiweekly Wed/Fri rule or monthly on the 15th), the four 941 dates, the 940 date and the state quarterly dates, each with 7-day and 1-day reminders. Weekend and federal-holiday deadlines shift to the next business day, and a quarter already logged as filed drops off the calendar.

7 · LEGAL SHIELD & RECORD RETENTION

- Payroll records are retained for seven years. The retention sweep is FLAG-ONLY: it marks records purge-eligible for your review and never deletes anything on its own.
- Stripe and Plaid are named processors in the privacy policy. Social security numbers, ACH details and provider tokens are encrypted at rest; card numbers are never stored.
- There is an absolute no-sale and no-ad-tracking clause that survives acquisition.
- Registration requires explicit terms acceptance, stored with the policy version, a UTC timestamp, the IP address and the user agent.

8 · CLOSING YOUR ACCOUNT & USER-GENERATED CONTENT

Deleting the company account, in the app

- Company → Company Settings → DELETE MY ACCOUNT. Type the company name, re-enter your password, confirm. No phone call and no support ticket — the account closes itself, as Apple's App Store guideline 5.1.1(v) requires.
- Every login for the company stops working the moment you confirm. For 30 days the admin who requested the closure can sign back in and cancel it, and everything comes back untouched.
- When the 30 days expire, app data is permanently deleted: employees, timesheets, time entries, time-off, personnel documents, worksites, notifications, drafts, API keys and company settings.

> **Pay stubs, payroll runs, tax filings, corrections and the audit log are NOT deleted with the rest. IRS Publication 15 requires employment-tax records to be kept for at least four years after the tax is due or paid, and the employer is the record-keeper of record. Checkmate seals them — no login can reach them — and deletes them automatically when the four years run out. The confirm dialog states this before you commit.**

- An employee who only wants their own login and profile gone uses Company → Right to be Forgotten → DELETE MY LOGIN + PROFILE. Their payroll history is anonymised rather than deleted, for the same retention reason.

User-generated content

- Checkmate has no user-generated content. There are no posts, comments, messages between users, profiles, photos, videos or any other content one user can publish to another. Nothing a user types is visible to anyone outside their own company.
- Because there is no user-to-user content, there is nothing to report or moderate, so the app carries no report-content or block-user control. Everything in the product is either the company's own payroll data or a document generated by the engine.
- The only free-text entry points — employee notes, payroll memos and questions to Checkmate Buddy — are private to the company that typed them and are never shown to another tenant.

9 · COMPLIANCE & DISCLAIMERS

> **Checkmate Payroll is a private technology platform and does not represent, or have any affiliation with, any government entity. All tax calculations are based on public government documentation.**

Every figure in this product is computed from published government documentation. The sources below are the actual inputs to the engine, not a reading list — each one drives the calculation named beside it. Every Checkmate-generated PDF carries the same non-affiliation notice in its footer.

- IRS Publication 15-T — Federal Income Tax Withholding Methods — Federal income tax withholding, percentage method and wage brackets. https://www.irs.gov/pub/irs-pdf/p15t.pdf
- Social Security Administration — FICA — Social Security and Medicare rates and wage bases. https://www.ssa.gov
- IRS Publication 15 (Circular E) — Employer's Tax Guide — Deposit schedules, employment-tax rules and record retention. https://www.irs.gov/pub/irs-pdf/p15.pdf
- IRS Form 941 and instructions — Quarterly federal return, lines 1-15 and Schedule B. https://www.irs.gov/forms-pubs/about-form-941
- IRS Form 940 and instructions — Annual FUTA return, wage base, credit reduction and Schedule A. https://www.irs.gov/forms-pubs/about-form-940
- SSA Publication 42-007 — EFW2 (W-2 electronic filing) — The 512-byte W-2 wage file uploaded at ssa.gov/bso. https://www.ssa.gov/employer/EFW2%26EFW2C.htm
- SSA Publication 42-014 — EFW2C (W-2c corrections) — The 1,024-byte correction file for W-2c. https://www.ssa.gov/employer/EFW2%26EFW2C.htm
- IRS Information Returns Intake System (IRIS) — 1099-NEC electronic filing and corrections. https://www.irs.gov/filing/e-file-forms-1099-with-iris
- New York Publication 72.5 — NYS-45 upload specification — New York quarterly wage reporting file, Parts A, B and C. https://www.tax.ny.gov/pdf/publications/withholding/pub72_5.pdf
- California EDD — DE 9C wage reporting (ICESA) — California quarterly wage file, 275-position ICESA records. https://edd.ca.gov/en/payroll_taxes/file_and_pay/
- U.S. Department of Labor — FLSA overtime — Overtime at 1.5x after 40 hours in a workweek. https://www.dol.gov/agencies/whd/flsa
- Not tax advice. Consult a licensed CPA. Checkmate does not transmit anything to the IRS, the SSA or a state agency on your behalf; you upload the file and keep the agency's confirmation.

10 · WHEN IN DOUBT

Checkmate Buddy is in the bottom-right corner of every screen. It reads the same live configuration this handbook was generated from — including which checklist step is blocking you right now — and answers with the exact screen to open. Ask it anything in this document.