

HOW A CALIFORNIA CPA FIRM KEEPS CLIENTS PAYROLL COMPLIANT WITH CONSTRUCTION-SPECIFIC SOFTWARE



Problem

As a California-based CPA firm, Wilson Ivanova needed to help their construction clients manage complex job costing and ever-changing payroll compliance requirements for state-specific wage rates and union reporting.



Saves 20-30 hours per quarter
on job cost allocation



Reduces year-end
accounting errors



Eliminates wage
rate miscalculations

Wilson Ivanova is a full-service, Southern California-based CPA firm specializing in the construction and industrial trades.

Serving over 40 subcontractors and general contractors, the firm prides itself on using industry expertise to guide clients through complex business landscapes.

However, navigating California's constantly fluctuating state and union wage rates — rates that have to be both paid correctly and allocated accurately to every job — along with the time-consuming work of job cost allocation, presented a major hurdle for their clients. When relying on generic accounting systems, contractors were often limited in their ability to prevent inaccurate wages or catch obsolete data before an audit.

The Pains of Shifting Payroll

Matt Wilson, CPA and Partner for Wilson Ivanova, highlighted the challenges of serving California-based contractors.

Solution

Switching to FOUNDATION® provided Wilson Ivanova with advanced job cost allocation and automated wage rate tools, allowing them to collaborate in the software in real-time to ensure full compliance with California tax and union requirements.

“The biggest compliance issue in California is payroll,” Wilson said. “It’s always the area that has the greatest number of issues. It’s the scariest for a lot of business owners.”

Like many states, California wage rates are always fluctuating, which made it time-consuming and stressful to maintain compliance. And failing to meet these intense payroll and union wage requirements comes with hefty financial penalties.

“To manage, many contractors initially turned to basic, off-the-shelf software or spreadsheets. But those tools couldn’t keep up with shifting wage rates or tie that labor back to the right job, which is where they fell short.”

“Generic software packages are limited,” Wilson said. “They don’t do job costing or indirect cost allocation.”

To provide the best support, Wilson Ivanova needed an industry-specific software that could give both the CPA and the contractor the same view of the numbers.

Finding Relief in Construction-Specific Software

The turning point came when Wilson Ivanova discovered FOUNDATION — a construction-specific accounting software with built-in payroll and job costing capabilities.

“When it comes to directing our clients toward a software, it’s really about understanding what their needs are,” Wilson said. “When clients see FOUNDATION has a strong reporting module, they feel more comfortable making that jump.”

In a state with strict union regulations, FOUNDATION’s automated tools tracked union fringe reductions and certified payroll. And because that payroll data flowed straight into job costing, the manual allocation work disappeared too. The benefits were immediate.

“Before, when we did job cost allocations manually, it could take 20 to 30 hours for each client. Now it’s much less,” Wilson noted.



“FOUNDATION is a great product in its innovation. They’re constantly adapting and looking for ways to improve, especially on the contractor side of things.”

Matt Wilson

Partner

Wilson Ivanova Certified Public Accountants

By keeping payroll compliant, Wilson Ivanova’s clients avoided costly violations like back wages with interest, while accurate job costing gave them a clearer picture of where every dollar of labor was going.

How FOUNDATION Empowers CPAs

Beyond contractor utility, FOUNDATION gives CPAs direct visibility into client financials. Using FOUNDATION’s CPA Audit/Review module, Wilson Ivanova can remotely collaborate with clients and resolve numbers in real-time. Future wage rates can also be automated — an invaluable tool during union audits.

“FOUNDATION is aware when those wage rates are going to change, so employees get paid the proper rates at the right time,” Wilson said.

And if a unique challenge comes up, FOUNDATION’s expert support team is ready to help.

“FOUNDATION has a fantastic support department,” Wilson said. “They’re always responsive when we’ve reached out on behalf of our clients.”

A Partnership Built for a Stress-Free Future

Wilson Ivanova is a CPA firm that knows the pains of payroll and has seen the wrong ways to approach it. For them, the key to success is finding a construction-specific accounting and payroll service that makes the complexities of compliance easy and accurate — and FOUNDATION fits that bill.

“FOUNDATION has probably the strongest payroll reporting program if you’re signatory to more than one union,” Wilson said.

Equally valuable is the long-lasting relationship between Wilson Ivanova, the contractors they serve and the software they use — all working together to get the best out of construction accounting.

“FOUNDATION does a great job preparing for the accountants,” Wilson said.

“Our clients can close books quickly and cut out time for us, as their CPA, to spend after the fact.”

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