



VMBA Payroll Services

So, your Chapter is seeking to hire an employee? Great news! VMBA offers payroll services to all Chapters. By utilizing our payroll, a heavy administrative lift is taken from Chapters having to manage all that comes with payroll services. Please note that employees must be employed for at least 2 months to utilize VMBA's payroll services.

VMBA utilizes [Gusto](#) services to handle our payroll. Below, you'll find common questions regarding how to use VMBA's payroll services.

Explaining VMBA & Chapter Employee Relationship

VMBA is the umbrella organization for all Chapters and is the official employer for Chapter employees. VMBA will provide all compensation, benefits, and tax documentation. All job oversight, responsibilities, and evaluations will come from the Chapter and its Board of Directors. Upon exiting an employee's employment, VMBA will offer the employee an Exit Interview and share the interview summary with the Chapter.

How does payment processing work?

VMBA facilitates your payroll through Gusto. We will link your Chapter banking information to Gusto and have your employee set up with them. Each payroll period, the employee's wage and withholdings will be withdrawn from the Chapter's accounts (so you'll see two debits processed). You'll be emailed payroll reports from the office each pay period for your accounting records. Any changes to the employee regarding begin/end dates, wages/salary, benefits, etc., must be promptly shared with the office.

Do the employees need timesheets?

Yes. In order to streamline payroll across Chapters, the office will provide a common timesheet form to all employees as a Google Sheet. The employee *must* use the provided timesheet to record any hours worked and any vacation, holiday, or sick time used during the payroll period. The employee must complete the timesheet by the communicated due date for each period - currently every other Wednesday - in order for their hours to be included and for them to be paid. The Chapter Leader who oversees the employee should review their timesheet regularly and notify the office of any discrepancies in reported vs. worked hours ahead of the due date.

What do I need to do to hire an employee?

Please notify the office in the early stages of the Chapter's hiring process if you plan on utilizing the payroll services; this way, we can prepare the necessary paperwork, and the office can assist you with any hiring needs. Once an employee is selected, complete the following: [Employee Registration Form](#).

Upon completing this form, the office will work with the employee and the Chapter to get them officially approved for employment by the start date. This includes W-4 and Form I-9 paperwork being completed by the office.

Notify the office ASAP of any employment changes, including separation, bonuses, salary increases, and/or benefit changes.

VMBA Employee Handbook

The office has a VMBA Employee Handbook available to all Chapters and employees. If the Chapter would like to develop one specifically for the Chapter, please review, edit, and fill in highlighted areas of the [VMBA Chapter Employee Handbook](#). Submit this to the office, and we'll use this handbook to share with the Employee. The office will default to the VMBA Employee Handbook if the Chapter supplies no handbook.

What is the pay period?

VMBA operates bi-weekly but can handle monthly, semi-monthly, or quarterly.

What are some benefits to consider?

VMBA can help facilitate certain benefits that the Chapter can provide their employees. Benefits can include:

- Vacation time
- Sick time
- Paid holidays. VMBA's current paid holidays are:
 - New Year's Day
 - MLK Day
 - President's Day
 - Memorial Day
 - Juneteenth
 - Independence Day
 - Labor Day
 - Indigenous Peoples' Day
 - Thanksgiving Day
 - Friday after Thanksgiving
 - Christmas Eve
 - Christmas Day
- Participation in the VMBA SIMPLE IRA up to a 3% retirement match to the employee's retirement account. This will be facilitated through VMBA's bank account, and Chapters will be invoiced quarterly for the retirement funds.
- A healthcare stipend (no healthcare coverage is available)

Chapters can also choose to offer no benefits to their employees.

Sick Leave Requirements

Per VT's Sick Time Law, Employers must offer sick leave to employees who work an average of 18+ hours per week and for 20 weeks+ per year. The employee should receive one (1) hour of earned sick time for every 52 hours worked. Any paid PTO, such as Vacation Time, will fulfill this requirement.

What are the costs to the Chapter?

Very minimal - we handle the payroll processing fees. Chapters are responsible for the wages and withholdings of their employees along with their portion of Worker's Compensation. See below for more details regarding WC.

Does Worker's Compensation cover employees?

Absolutely! All Office and Chapter employees are covered under VMBA's Workers Compensation policy. Chapters are charged for their portion of the Worker's Comp Policy, which depends on the type of work and their compensation. Chapters will be invoiced the following fiscal year after all payroll has been processed and our annual WC Audit has been completed. There is a set rate per \$100 of remuneration and is annually paid by the Chapter.

For example, a Chapter has an employee with a salary of \$30K and does office work. The insurance company categorizes their work as 'Clerical' with a Rate of \$.18/\$100 of remuneration. So, $(30,000/100) \times .18 = \54 that would be due. Please contact the office with a description of the work the employee would be doing for a Worker's Compensation quote. Here are a few potential rates based on work type.

- Clerical
 - Description: Office-based Work
 - Rate: \$0.18
- Salesperson
 - Description: Office-based work and administrative fieldwork. i.e., working with landowners, etc.
 - Rate: \$0.41
- Park
 - Description: Trail work
 - Rate: \$3.73

Do you already have an employee and want to fall under VMBA's Workers Compensation Policy? Reach out to the office for further steps. Chapter employees need to be listed on VMBA's Workers Comp Policy for it to be effective.

What information is expected from the Chapter for each pay period?

Each pay period will require submitting hours through the timesheet provided. The office will send out bi-weekly payroll submission reminders. The employee must complete the timesheet

by the communicated due date for each period. The Chapter Leader who oversees the employee should review their timesheet regularly and notify the office of any discrepancies.

What about if my Chapter wants to hire an independent contract worker?

Chapters can contract out work as they wish. Please note that if Chapters go this route, the independent contractors need to have proper insurance in place, including, but not limited to, General Liability, Automobile, Property, Professional Liability, Workers Compensation. The Chapter should request a Certificate of Insurance (COI) naming VMBA/Chapter as an Additional Insured.

What about if my Chapter wants to use our own payroll company?

Chapters can utilize this service or choose a different payroll company. We offer this service to Chapters to help ease your administrative load. If you need the employee to fall under VMBA's Workers Compensation policy, please reach out.

W2 vs 1099-NEC

Every year, organizations must file either a W2 or a 1099-NEC for all employees or contract employees. If they are an employee of your Chapter, you'll need to send out a W2. Payroll companies will normally facilitate this for you. We will do that for you if you use VMBA's payroll service. W2 Deadline is January 31st each year.

If you pay any contract workers, such as trail builders, and they receive above \$600 in compensation, they will need a [1099-NEC](#) from you, and you'll need to file it with the IRS. Softwares such as Quickbooks can handle this for you, or you can use [taxbandit](#) if you do not have a bookkeeping program. VMBA is happy to file your 1099-NEC for you. Please reach out to the office for this process. If the payment of the contract work was facilitated through VMBA, the office will automatically file the 1099-NEC for your Chapter. 1099-NEC Deadline is January 31st each year.

Have additional questions, or are you ready to get started? Reach out to Amy at amy@vmba.org - thank you!