



Benefits For The Team

- Weekly Payroll allows restaurant employees to better manage their finances. It's more difficult for variable rate, hourly, team members to manage their money when they have to wait 2 full weeks before their next paycheck.
- Charge tips on checks eliminate the need for house bank reimbursement (side note: most restaurants struggle to perform the proper accounting for tip reimbursement to the house bank).
- Employees have a greater chance of qualifying for life events such as rent, vehicles, student loans because their income is documented.

Benefits For The Business

- Businesses can more easily put credit card tips on paychecks if the staff doesn't have to wait 2 weeks to receive those tips. This makes things easier on the business in terms of cash on hand, IRS income reporting, and tip accuracy overall.
- Weekly Payroll increases financial accuracy. When management is required to submit payroll every 7 vs 14 days (along with AP, Inventory and Sales), payroll is not being accrued; thus, decision making isn't theoretical.
- Weekly Payroll improves cash management. Accruing payroll increases the level of complexity for managing cash flow, while weekly payroll provides a consistent process for accounts payable management.
- Weekly Payroll decreases labor cost by 0.4% per million dollars in revenue; this is a direct byproduct of having to finalize payroll weekly vs biweekly.



Benefits For The Business

- Weekly Payroll increases employee retention. We tracked clients for nine months after switching to weekly payroll and found a 26% (on average) increase in employee retention. This is attributed to the psychological effect of providing better means for employees to manage their own money; thus, job satisfaction is increased and the need to find another job decreases.
- In conjunction with charge tips on checks, weekly payroll provides audit transparency regarding direct and indirectly tipped employees. It's common practice for an auditor to use an employee's W2 against the payroll register; the auditor then notices that the charge tips don't match and start asking for the tip ledger for support staff and kitchen personnel.

Did you know?

- Paydays should be either Monday or Tuesday - here's why:
 - Handing out paychecks on Fridays is counter-intuitive as Managers need to be spending their time setting the stage for a busy night ahead. Paychecks should be provided on Mondays/Tuesdays as they are already administrative days.
 - Weekend receipts are deposited on Mondays and Tuesdays; thus, it makes sense to have your payroll checks and direct deposits match your cashflow, and Mondays/Tuesdays are the highest cashflow day of the week.
 - Paying team members on a Friday increases the likelihood of no call - no shows with the "bottle flu" on Saturday and Sunday. Since 68% of most businesses earn their revenue on the weekend, team members not showing up increases the likelihood of overtime and missed opportunities for the guest experience due to short-staffing.