



HISTORY OF THE AMERICAN PAYROLL ASSOCIATION

In May 1982, the American Payroll Association (APA) was created by Donald W. Sharper, CPP, as the first professional association for those working in payroll. APA's 198 founding members were recruited from the list of subscribers to *Payroll Exchange*, a newsletter whose publishing rights were acquired by APA. APA established its headquarters in New York City, and its membership grew to more than 1,000 individuals within a year.

Sharper retired in July 1992, passing the mantle of leadership and title of Executive Director to Dan Maddux, who had been hired in 1982 as APA's first employee. Maddux remains in that position today, with APA's staff totaling almost 90 employees and membership exceeding 20,000.

Establishing Guiding Principles Along the Way

Recognizing the need to define its goals as an association, APA quickly formulated its **mission**, which includes the following objectives:

- To increase the Payroll Professional's skill level through education and mutual support.
- To obtain recognition for payroll work as practiced in today's business and legislative environments and as a professional discipline.
- To represent the Payroll Professional on the federal, state and local level.
- To provide public service education on payroll and employment issues.

Later on, a **vision** statement helped put these objectives in a broader context:

“American Payroll Association’s vision is to create opportunities and forge a community by providing the education, skills, and resources necessary for payroll professionals to become successful leaders and strategic partners within their organizations.”

The association’s **core values** further support APA’s mission and vision statements. The core values demonstrate the high level of effort and high quality of work which APA staff delivers to each other and to our members on a daily basis.

Leadership – We possess a vision that encourages others to learn, innovate, and share insight. We motivate others to make a positive difference in their own lives with courage and integrity today and in the future.

Teamwork – Everything we do is a team effort. We inspire, challenge, respect, and support team members to be their best and always maintain positive working relationships.

Passion – We are devoted to fulfilling APA’s mission by providing education with enthusiasm and constantly striving to learn, develop and improve in all that we do.

Excellence – We know that our members have to be 100% accurate in their jobs, so we do not settle for anything less in what we do in service to our members.

Empowerment – We are empowered to solve problems, suggest ideas for improvement, and propose new programs to better serve our membership.

Diversity – We continuously build and encourage a mindset that celebrates the uniqueness among persons, ideas, and values.

Fun – We have fun at work, which leads to a dynamic company culture. A dynamic company culture boosts productivity. We work hard but we play hard too!

Education and Certification– APA’s Foundation

APA’s principal objective “is to increase the Payroll Professional’s skill level through education and mutual support.” When APA was founded, there was very little available in the way of payroll education, mainly because payroll was generally thought of as a clerical function, despite the massive amount of regulatory requirements that need to be taken into account to produce a timely and accurate payroll. Therefore, education and mutual support were recognized as keys to the association’s future success. Today, APA educates more than 65,000 individuals each year at more than 425 educational opportunities in person and over the Internet. These numbers exclude any educational offering provided by the Global Payroll Management Institute, which is covered later.

Early on, APA recognized that one of the best ways to obtain recognition for payroll work as a professional discipline rather than a clerical function was through professional certification, a time-honored path followed earlier by accounting and human resource professionals, among others.

In 1985, APA established the Certified Payroll Professional (CPP) designation to recognize those who have become proficient in the practice of payroll, and the first CPP examination was offered. Today, more than 11,000 payroll professionals are CPPs, an all-time high. A second certification, the Fundamental Payroll Certification (FPC)—designed for those new to payroll and those interfacing with payroll—was established in 2000. Today, more than 5,700 payroll professionals are FPCs. APA certifications are widely recognized as the standard of excellence for the payroll profession and are often required by employers.

The CPP designation is valid for five years after the year of certification, and CPPs can recertify by earning 120 recertification credit hours (RCHs) through continuing education or by retaking the CPP exam in their fifth year. FPCs hold their certification for three years and can recertify by earning 60 RCHs or retaking the FPC exam in their third year.

Education Courses Taught Throughout the U.S.

Today, APA offers hundreds of education courses covering a broad spectrum of payroll and related topics throughout the United States and beyond. In 1984, APA offered 21 seminars, including its first year-end training class, *Preparing for Year-End and 1985*, a one-day class that remains APA's most popular series of classes. Since that time, APA has added other one-day classes covering a particular subject area, including garnishments, mid-year tax updates, wage and hour laws, mergers and acquisitions, multistate payroll issues, and local income tax compliance.

To educate payroll professionals at every stage of their career and prepare them for career advancement, in the mid-1980s APA established a payroll training progression of several 2-3 day programs taught in locations around the U.S., as well as virtual classes offered at various times throughout the year. The programs have undergone several changes in name and content over the years. The programs include:

- Payroll Practice Essentials
- Intermediate Payroll Concepts
- Advanced Payroll Concepts
- Strategic Payroll Practices

In 2009, APA introduced the Strategic Leadership Certificate Program (SLCP). The 2½-day program is an intensive series of workshops that enhance leadership skills. Those completing the SLCP are issued a Leadership Certificate, a bona fide career credential.

In 2011, APA launched the Global Payroll Management Certificate Program. The 3-day program now consists of eight learning modules covering how to design, implement and manage a global payroll initiative. Completion of the program confers a certificate.

APA Learning Center Education

APA opened Learning Centers in San Antonio (1995) and Las Vegas (2003) with state-of-the-art computer classrooms that offer the following 4½-day courses throughout the year:

Payroll 101: Foundations of Payroll Certificate Program

Payroll 201: Payroll Administration Certificate Program

Payroll Administration in Canada

Payroll Administration in the United Kingdom

Implementing Payroll Best Practices

Payroll 101 and 201 not only offer students a certificate for successfully completing the class, they offer students the opportunity to sit for APA's certification exams – Fundamental Payroll Certification and Certified Payroll Professional, respectively – at the end of the class on Friday afternoon.

Alternative Delivery Methods – Taking It to the Web

By the late 1990s, APA began looking into ways to expand its education delivery methods beyond the classroom and the hotel. The first move in this new direction took place in 1999 when APA started offering audio seminars – teleconference education sessions complete with live Q&A. Then it was time for APA to make use of the newest communication technology – Internet delivery. In 2006 APA began producing payroll training via Webcasts, which were recorded and then delivered over the Internet.

Live Web education was next, and in 2008 APA delivered its first live webinars, focusing on subject matter from the most popular Congress workshop sessions and recent legislative and regulatory developments, as well as providing an alternative training forum for APA’s one-day classes. All APA webinars feature live Q&A plus the ability to survey attendees through an easy-to-use polling feature. Webinars caught on quickly, and by 2014 more than 100 individual webinars and 11 one-day classes were presented in webinar format, with *Calculating Paychecks* and *Wage and Hour Summit* offered solely as a 4-part webinar series. The webinars are also recorded and offered on demand for those who can’t attend the live sessions.

As the demand for more web-delivered education increased, APA started to bring its progression series of classes to its new virtual classroom in 2010, with full implementation over the next year. The virtual classroom offers a more feature-rich education environment than a regular webinar, with more opportunities for instructor interaction and student feedback. By 2012, APA added *Mergers and Acquisitions Forum* and *Payroll System Selection and Implementation* to its roster of virtual classroom courses, offering them solely via this new delivery method.

Launched in 2014, APA introduced its latest education venture, CPP and FPC Boot Camps. These classes, taught in APA’s virtual classroom, are designed to prepare students to pass the CPP and FPC examinations through intensive, instructor-led training. Both Boot Camps totaled over 340 participants in 2015.

In 2015, APA launched its first program delivered in a “flipped” learning style. The webinar series “Forms Week” offered four on-demand webinars (one each on Forms W-4, W-2, 941 and I-9); the following week a live webinar was presented answering the participants’ questions about the forms.

Partnering on Computerized Training

In 1991, APA released the first computer-based payroll training program – *PayTrain*® – developed with the help of the Holmes Corporation (then known as Golle & Holmes) as both a training tool and a way to prepare for the Certified Payroll Professional exam. Initially contained on a series of floppy disks and print modules, then moved to CDs in 1996, *PayTrain* became a web-based product in 2007. In the meantime, APA and Holmes collaborated on the first e-learning payroll course when *Fundamentals of Payroll* was released in 2000 to help beginning payroll practitioners prepare for the

Fundamental Payroll Certification exam. The two partners, which have been working together since 1989, also developed payroll education for the college and university market with the *Payroll Professional Learning Series*, which has since become *PayTrain College and University*.

Tracking Training Progress – Payroll Knowledge Assessments

In 2004, APA introduced Payroll Knowledge Assessments (originally called the Payroll Knowledge Assessment Calculator), unique web-based tools that assess levels of payroll knowledge and immediately recommend resources for filling any knowledge gaps (www.PayrollKAC.com). Five assessments are offered, including two for certification exam preparation. In addition, specialized assessments are provided to registrants of Payroll 101, Payroll 201, and the four training progression programs. Students are given access to two assessments, pre- and post-class, so they can measure how much they learned from the course.

Merging Education and Career Paths

In 2008, APA rolled out Learning Paths, an interactive matrix of APA educational offerings that helps professionals select the appropriate training based on their current job and career goals.

Congress and Other Conferences

The first APA Annual Congress was held in San Antonio in 1983, bringing together 249 members. The Annual Congress is now a 4½-day conference featuring more than 170 workshops, world-class motivational speakers, the world's largest payroll and finance expo, and networking with government experts and industry leaders. Typically, 2,000 payroll and other finance professionals attend Congress.

In 2010, APA introduced the Virtual Congress & Expo, now a two-day event geared to give those who can't attend in person a taste of what Congress is all about. In its sixth year, the online event featured several educational webinars, a General Session, networking activities, and an interactive vendor showcase. Approximately 4,000 individuals registered for the Virtual Congress & Expo in 2015.

Besides Congress, APA offers several smaller conferences that target particular audiences or treat certain subject matter areas. These include:

Educational Institutions Payroll Conference (EIPC), which has been held annually since 1987. The EIPC is a 3½-day conference designed for individuals working in payroll at post-secondary educational institutions because of the unique compliance challenges they face, particularly in the areas of nonresident alien employees and fringe benefits.

The Fall Forum, which has been held annually since 1997, when it was known as the Payroll Best Practices Conference, and then as APA's Leadership Forum.

The Fall Forum is focused on helping payroll leaders increase efficiency, reduce operating costs, and become a more effective leader.

Capital Summit, which has been held annually since 2005. Held in Washington, D.C., Capital Summit brings together speakers from up to a dozen federal government agencies to discuss the latest regulatory and legislative initiatives affecting the payroll industry.

Global Payroll Management Conference, which was held from 1994-2003. The Global Payroll Management Conference, which APA produced along with The Canadian Payroll Association, offered a varied curriculum of workshops on paying U.S. expats and nonresident aliens, as well as handling payroll on an international scale. Many of the workshops were later moved into the Global Forums track at the APA Congress.

APA Publications Support Education Mission

As part of its educational mission, the Association produces an impressive array of payroll-related publications. APA began with *Payroll Exchange*, a membership newsletter whose subscriber list formed the association's first membership base. The first book bearing APA's name was *APA's Basic Guide to Payroll*, written by an APA member and published in 1986 by Prentice-Hall (now updated annually and published by Wolters Kluwer Law & Business). Another book authored by APA members, *Payroll Manager's Guide to Successful Direct Deposit*, premiered in 1990. It became simply *The Guide to Successful Direct Deposit* in 1999. Due to expanding coverage of other forms of electronic payments, the book is now called *The Guide to Successful Electronic Payments* and is a free e-book for APA members.

In 1992, *Payroll Exchange* gave way to PAYTECH, APA's membership magazine and the leading periodical for the payroll profession. Each monthly issue of PAYTECH contains a blend of comprehensive payroll news, in-depth features, and original graphics that is widely circulated and used as a career development reference. In 2013, APA began offering PAYTECH in a flip-page digital format as well, giving members the ultimate in convenience, accessibility, and mobility with PAYTECH-Digital. In 1994, APA introduced *Payroll Views and News*, a bi-monthly printed newsmagazine for members offering the latest payroll industry news. In 2000, PVN was succeeded by *ePayXpress*, APA's first online newsmagazine. Today, members receive its successor, *PAYTECHonline*, in their email inbox each month.

Also in 1992, APA began building a publications division concentrating on the broad spectrum of payroll compliance issues. Since then, the Association has evolved into a major provider of published materials for payroll and related professionals. In October 1992, the first issue of *Payroll Currently*, a biweekly newsletter providing the latest in payroll compliance news at the federal and state levels, was mailed to subscribers. In 2003, APA made *Payroll Currently* an APA membership benefit and converted it to an electronic publication that is emailed to members each month. Each issue includes

Inside Washington, an added section that brings members the latest news on APA's lobbying efforts on their behalf.

A second newsletter, *PayState Update*, was introduced in 1999 and is the only newsletter providing exclusive coverage of state and local payroll compliance news. In 2008, it was converted to an e-newsletter that subscribers receive on a biweekly basis.

The Association's foremost publication, *The Payroll Source*®, a comprehensive payroll reference text and CPP exam study tool, was first published in 1994. Other publications and their inaugural publishing dates include:

- Federal Payroll Tax Laws & Regulations*** (1995)
- Guide to Global Payroll Management*** (1996; now an e-book)
- Understanding Your Pay*** (1996 – called *Your Paycheck Factbook* until 2000; then *Your Paycheck*; 2013 – became *Understanding Your Pay*, a free e-book)
- Federal Payroll Non-Tax Laws & Regulations*** (1997)
- The History of Payroll in the U.S.*** (2000)
- Payroll Practice Fundamentals*** (2000; also as an e-book)
- APA's Guide to State Payroll Laws*** (2001)
- APA's Guide to Federal and State Garnishment Laws*** (2002; also as an e-book)
- APA's Guide to Federal and State Wage & Hour Laws*** (2002; also as an e-book)
- APA's Guide to Local Payroll Taxes*** (2006)
- APA Guide to Accounts Payable*** (2009; published by Wolters Kluwer Law & Business)
- APA's Top Payroll Questions & Answers*** (2014); a free e-book for members

In 1997, APA introduced the *Research Ready CD*, which now contains electronic versions of four leading APA texts: *The Payroll Source*, *Federal Payroll Tax Laws & Regulations*, *Federal Payroll Non-Tax Laws & Regulations*, and *APA's Guide to State Payroll Laws*.

Every other year, APA also publishes an e-book known as the *Survey of Salaries and the Payroll Profession*, which debuted in print form in the 1980s. The *Survey* is an overview of compensation information, payroll trends and technology, operations, and costs within payroll departments and is made available to all members as a benefit of membership.

Government Relations – Advocacy for the Payroll Profession

Another objective outlined in APA's mission statement is to represent the Payroll Professional on the federal, state and local level. APA has been an advocate for the payroll profession since the mid-1980s. In 1991, the Internal Revenue Service named an APA representative to its newly formed Information Reporting Program Advisory

Committee, and the association has been represented there by various APA members and staff ever since. Other IRS committees followed suit, including the IRS Advisory Council (formerly the Commissioner's Advisory Group) and the Electronic Tax Administration Advisory Committee.

In 1994, APA opened an office in Washington, D.C. that is now staffed by two registered lobbyists who work with federal agencies and the U.S. Congress to ensure the voice of the payroll professional is heard in the nation's capital. APA's lobbying is non-partisan and seeks to minimize the administrative and compliance burden of any existing or proposed laws and regulations on payroll professionals and their employers. APA, through its lobbyists and members who serve on the Government Relations Task Force, also lobbies on select issues at the state and local level.

Over the years, legislators, their staffs, and government agencies have become increasingly interested in what APA and the payroll profession have to say about any given issue. Why? Through the payroll tax withholding system, the nation's payroll professionals collect and deposit nearly 70% of the revenue flowing into the U.S. treasury, and up to 75% of all the child support collected in the U.S.

Getting the 'Importance of Payroll' Message Out

Providing public service education on payroll and employment issues is a key objective for APA, and the association has used several methods to accomplish it. In 1989, APA published a booklet – "The Importance of the Payroll Professional" – that it distributed to members and class attendees so they could give it to others in their companies to demonstrate the significant effect of an efficient and compliant payroll on the success of an organization.

In 1996, APA founded National Payroll Week (NPW). The annual commemoration is a week-long national public awareness campaign, beginning on Labor Day, to help America's workers learn more about their paychecks and the payroll tax withholding system. The NPW website, www.nationalpayrollweek.com, features many free tools and resources to help workers make the most of their paycheck. One day during NPW is designated as Money Matters National Education Day. On this day, payroll professionals volunteer to go into schools and before youth groups to teach paycheck fundamentals. NPW also recognizes the dedication of payroll professionals, who pay America's workers accurately and on time each payday.

In addition to NPW, APA regularly sends out information through various news channels on how to save money through pre-tax salary deductions for health and retirement benefits, how to prepare for tax filing season by making sure you receive a W-2 from all your employers and check it for errors, and how to use APA's Paycheck Maximizer App to determine if you should change your W-4 to have the appropriate amount of taxes withheld from your pay.

In 1997, APA launched its website, www.americanpayroll.org, as a place where members and nonmembers alike could find anything they wanted to know about APA, its products and services for the payroll community, and its public service initiatives. It is constantly being updated and revised to provide the latest in information services.

You can also connect with the APA through the following social networking media:

LinkedIn: <https://www.linkedin.com/AmericanPayrollAssociation>

Facebook: <https://www.facebook.com/AmericanPayrollAssociation>

Twitter: <https://twitter.com/Paynews>

YouTube: <https://www.youtube.com/americianpayrollassociation>

In 2008, APA launched Pay News Network (PNN), a web-based video news magazine delivered monthly with *PAYTECHonline* presenting several reports covering payroll news and association updates. In 2016, PNN was succeeded by Compliance TV, which currently features a monthly summary of select payroll compliance news also delivered via *PAYTECHonline*. Association updates are recorded as separate video modules that are posted on appropriate pages of the APA website (e.g., Annual Congress updates are hosted on the website's Congress home page).

In early 2014, APA established *Pay News Now*, a website hosting concise updates and video reports of breaking compliance news presented by a team of APA reporters. These updates are available at www.paynewsnow.com, through the newsroom page of the APA website (www.americanpayroll.org/newsroom), and links from *PayState Update*.

Volunteer Members and Local Chapters – The ‘Lifeblood’ of APA

Since its beginning, the volunteers who serve on APA's committees and task forces have provided the impetus to keep APA moving ever forward. In 1986, 46 APA members participated on the committees that existed then, including the Hotline Referral Service, where members volunteer to answer payroll-related questions from their peers. By 2015, nearly 800 APA volunteers were serving on at least one national committee, and almost half of them participate on the Hotline Referral Service. (For a current list of APA's committees and their members, see the 2015 Annual Report, Section 2.)

As APA began its journey in 1982, so too did some local groups of payroll professionals, including the first local chapter, the Greater Cleveland Chapter. By 1986, when a formal local chapter affiliation structure was created, there were 53 affiliated APA local chapters. Chapter growth has been steady ever since, and there are currently 128 affiliated APA local chapters offering education, networking, and community service opportunities to local area payroll professionals.

APA Expands Its ‘Footprint’

As APA has grown in size, accomplishments, and stature over its more than 30 years of existence, it has also needed to expand its geographic footprint to accommodate this growth. APA was headquartered in New York City's midtown Manhattan from 1982-1996. APA added two more offices in the 1990s, broadening its national base. The San Antonio, Texas, office opened in 1993 when APA had 25 employees and membership had reached 10,000. It became APA's official headquarters in 1997. With the opening of the San Antonio Learning Center in December 1994, the Association began offering week-long, in-depth educational programs on-site for payroll professionals. The first classes offered were Payroll 101: The Standard Foundation of Payroll and Payroll 201: The Payroll Administration Course.

On December 31, 1999, APA purchased a 48,000-square-foot building in downtown San Antonio. The building underwent a complete renovation, and in March 2001, APA celebrated the grand opening of its present headquarters and Payroll Learning Center at 660 North Main Avenue. When it is not being used to hold APA classes, the building is rented out to provide welcome non-dues revenue for the Association.

The Washington, D.C. office opened in September 1994. After moving to other leased office properties in the district as leases expired, APA purchased office condominium space for its D.C. operations in 2006 in the DuPont Circle neighborhood.

In 2003, "The White House," located directly behind the Las Vegas Convention Center, was purchased and converted into APA's second Payroll Learning Center. The first payroll class was held there in March 2004; the grand opening was held in February 2005. In early 2010, The White House Learning Center moved into its current home on the third floor of MEET Las Vegas in the heart of downtown. MEET Las Vegas, owned and operated by the APA, is a state-of-the-art boutique meeting and events center available for rental. The rental revenue helps support APA's extensive payroll education programs and member benefits.

The Way Forward for Payroll

As organizations further develop global business models to remain competitive, APA continues to expand its initiatives beyond U.S. borders by forging a global payroll community. In 2015, APA launched the Global Payroll Management Institute (GPMI) to support the global payroll community. GPMI is a subscription-based organization that provides top-quality education, training, and networking opportunities for payroll professionals around the world.

The Global Payroll Management Institute offers a number of resources. Foremost is *Global Payroll*, a monthly e-publication that provides news and in-depth features to help payroll professionals manage the challenges of operating globally. Currently, there are over 5,000 subscribers to the e-magazine. Global payroll professionals can also interact with GPMI on Social Media by joining the GPMI LinkedIn community, following GPMI on Twitter, and Liking GPMI on Facebook. All of these options provide subscribers opportunities to receive useful global educational content and network with other global

payroll professionals. In 2015, GPMI offered 7 global education opportunities attracting over 5,600 attendees.

After 34 successful years, APA continues to be driven by its vision to identify and create exciting new opportunities for payroll professionals. This new endeavor will forge a global payroll community by providing the education, skills, and resources necessary for payroll professionals to become successful leaders and strategic partners within their organization and communities.