



HOW TO PREPARE FOR A SUCCESSFUL AUDIT

1. Select the applicable checklist based on your company
 - If you use accounting software
 - Do not use accounting software
 - Had no labor or payroll during the audit period

Checklists can be found at this link: <https://lhbasif.com/upload-your-audit-documentation-here/>

2. Confirm the audit period and check deadlines.
 - Audit period will be from April 1st of the previous year to April 1st of the current year.
 - If the policy was started after April 1st of the previous year. Your audit period will be from the date you started your policy with us to April 1st of the current year.

Audit period and due dates will be listed in the official audit request email that you will receive.

3. Organize your payroll records
 - Provide payroll records for the full audit period
 - Prepare reports that breakdown gross wages by employee (Gross payroll summary or SUTA wage reports.)
 - ❖ SUTAS are the quarterly wage reports reported to the Louisiana Workforce Commission or LA Rev.
 - Include any overtime pay/ bonuses/ paid vacation/commission
 - Separate non-taxable reimbursements (e.g. Per diem, mileage)
4. Classification of Employees
 - Provide all job duties for employees, uninsured subcontractors, and contract laborers (1099)

- If insured subcontractors were used during the audit period, provide Certificates of Insurance for each to verify they had their own workers comp coverage for the dates they provided labor.

The names listed on the COI must match who the payment was made to.

- If an uninsured subcontractor was paid for labor and materials, we can provide materials credit with valid invoices.

If a subcontractor does not have coverage, their pay will be added to your audit.

Tips to prepare for your audit throughout the year:

- Use consistent employee classification tracking
- Ensure each employee is assigned to the correct class code based on their actual duties
- Re-evaluate class code when job duties change
- Keep payroll records organized:
 - ❖ Regular wages
 - ❖ Overtime (with hours and rates shown)
 - ❖ Bonuses and commissions
 - ❖ Reimbursements (clearly identified as non-taxable)
- Maintain updated subcontractor files
 - ❖ Make sure the name listed on the Certificates of Insurance matches who the payments are made out to.
 - ❖ Collect and file Certificates of Insurance before they begin work
 - ❖ Track expiration dates and request renewals of COIs

Please contact Client Services at 225-387-0286 or Clientservices@Homebuilderssif.com if you have any questions.