HELPFUL TIPS FOR THE SELF-AUDIT PROCESS

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NEW MEXICO MUTUAL

5201 Balloon Fiesta Parkway NE
Albuquerque New Mexico 87113
NewMexicoMutual.com

Premium Audit Department: **505.343.7720**
Premium Audit Fax: **505.348.9320**

What to do if you receive a message online that the final audit has Already Been Completed:

** The audit process has already been completed and access is no longer permitted under this username and password. If you need to provide additional information regarding this audit, please refer to the telephone and fax numbers shown on the letter you received. Sorry for any inconvenience. **

If you attempt to login using the credentials from your letter but receive a message that the audit has already been completed and access is no longer permitted under the username and password, please contact our office directly for further assistance at 505-343-7720.

Once the due date for submitting the audit has passed, the online credentials are no longer valid and the audit has been completed in the system as Non-Productive. We can re-set the audit and provide new credentials for the online system, or if you prefer, a paper version of the self-audit form can be forwarded to you for manual completion; to be returned along with your supporting payroll documentation.

Types of Payroll Records to gather before beginning the audit process:

Before you begin, it is recommended that the following records be gathered:

- Payroll Summary Report covering the policy period noted on the self-audit letter (Including Names, Job Duties, Gross Wages, and Gross Overtime Amounts)
- Federal 941 and/or State ES903A Quarterly Reports (4 closest Quarters to the audit period)
- Subcontract/1099/Contract Labor Report (Including Names, Type of Work Performed, Dates, and Amounts Paid)
- Certificates of Workers Compensation Insurance for any Subcontractors used.
- Other Types of Records that may also be of use in completing the self-audit are:
  - General Ledgers
  - Cash Disbursement Records
  - Bank Statements and Check Stub copies/Check Register
  - Federal Form 943 or Schedule F from a Personal Tax Return (*Specific to Agricultural Accounts*)
  - Schedule C from a Personal Tax Return
  - Year-End 1096 and 1099 Forms
  - Year-End W-2 and W-3 Forms
  - Business Financial Statements
- List of Executive Officers, Owners, or Partners (Including Names, Titles, Ownership %'s, Amounts Paid, and Job Duties.

How to proceed when a section does not apply:

When submitting the manual (paper) self-audit report form please DO NOT leave any sections blank as we will assume that the information was inadvertently missed. Should a section or question not apply, please write in either NONE -or- N/A and provide a written explanation on the paper audit form.

When submitting your audit through the online system, please leave the section blank and then add notes within the Closing Comments section on the 'Summary' Tab with an explanation as to why the section does not apply.

Reporting 'Employees Per Location' through the online system under the "General" tab:

The number of owners in the business should be included in this count, and as such, even if there were no employees, please include the total number of Principals of the business within this section. If there were no employees or Principals, please check the box to indicate "none".

Please note that we do not currently audit by location so you can add the average number of employees under any available address that was listed on the policy during the audit period.

Changes required to location(s) and/or reporting of employees by location when the location(s) no longer apply, as shown on the "General" tab:

Please note that the locations reflected within the audit form come directly from the policy being audited. Should you find that any of the listed locations no longer apply or need to be updated, please check the box next to "Locations added or removed?" under the 'General' screen and enter details describing the change. We do not currently audit by location so you can add the average number of employees under any available address that was listed on the policy during the audit period.

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Entering payroll information within the online system:

Please enter ALL business owners, even if they reflected no actual wages within the payroll records. Answer "Yes" underneath the 'Officer?' column to indicate an owner/officer/member/partner. Their % of ownership must be included, as shown below:

	First Name	Last Name	Officer?	%Owner	Title	Duties	Location	State	Gross Wages
1	Owner First	Owner Last	Yes	50.00%	President	Relations, Estimating, Mgt.	1.1	NM	75,000
2	Owner First	Owner Last	Yes	50.00%	Secretary	Inactive	1.1	NM	0
3	Bob	Smith			Employee	A/R, A/P, Financials	1.1	NM	45,023
4	John	Smith			Employee	Heating and A/C Technician	1.1	NM	60,502
5									
6									
7									

The Gross Wages total should include all wages including tips, severance pay, and overtime pay. The portion for each of these wages should then be broken out separately within each applicable column:

	First Name	Last Name	Officer?	%Owner	Title	Duties	Location	State	Gross Wages	OT @ 1.5	Tips
1	Samuel	Rigo	Yes	100.00%	President	All Operations, Mgt, Finances	1.1	NM	75,000	0	0
2	Chelsea	Vargas			Employee	Server	1.1	NM	54,421	1,234	5,452
3	Timothy	Brecken			Employee	Waiter	1.1	NM	35,642	123	4,341
4	Chad	Garner			Employee	Cook	1.1	NM	61,213	5,462	0
5											
6											
7											

Tips for reporting multiple 'All Other Employees' having identical job duties:

If you have 10 or fewer employees, it is preferred that you list each employee individually. However, if you have more than 10 employees, you may group employees with the SAME job duties together to summarize the information.

Here is an example of how to summarize groups of employees together:

	First Name	Last Name	Officer?	%Owner	Title	Duties	Location	State	Gross Wages
1	Owner First	Owner Last	Yes	50.00%	President	Relations, Estimating, Mgt.	1.1	NM	75,000
2	Owner First	Owner Last	Yes	50.00%	Secretary	Inactive	1.1	NM	0
3	5	Employees			Employee	Filing, Phones, Data Entry, Acctin	1.1	NM	201,525
4	15	Employees			Employee	Electricians	1.1	NM	551,223
5									
6									

Tips for submitting payroll online for employees with multiple job duties:

When submitting your final audit online, please complete the 'Payroll Information: All Other Employees' section with the Gross Wages by individual Employee for each separate type of work performed. This situation will most likely occur with construction but can apply with other types of businesses based on the classification rule system.

Here is an example of wages for one individual who was paid to perform multiple construction duties:

	First Name	Last Name	Officer?	%Owner	Title	Duties	Location	State	Gross Wages
1	Owner First	Owner Last	Yes	50.00%	President	Relations, Estimating, Mgt.	1.1	NM	75,000
2	Owner First	Owner Last	Yes	50.00%	Secretary	Inactive	1.1	NM	0
3	Bob	Smith			Employee	Plumbing Wages	1.1	NM	2,322
4	Bob	Smith			Employee	HVAC Wages	1.1	NM	10,223
5	John	Smith			Employee	Plumbing Wages	1.1	NM	12,154
6	John	Smith			Employee	HVAC Wages	1.1	NM	3,314
7									
8									

Please be aware, that per National Council on Compensation Insurance WC Manual Rules, not all classifications are eligible for an individual employee's wages to be split between other job duties. Some examples of the most common classifications that cannot be split with other classifications are:

5606 - Contractor Project Manager, Construction Executive, Construction Manager or Superintendent

8742 – Salespersons or Collectors, Outside

8720 – Estimators for Construction

8748 – Automobile Salespersons

8810 – Clerical Office Employees NOC

8871 – Clerical Telecommuter Employees

Submitting Domestic Worker (Per Capita Basis) audits online, if applicable:

When entering the audit online, please note that the system uses the verbiage of 'Gross Units' on the 'Units' Tab to request the total number of Domestic (Per Capita) Workers during the audit period. Please enter the number of applicable employees for each Domestic Worker classification listed in the form and then select 'Update' to save your changes:

General   Payroll   Units   Documents   Submit

Units

Please enter the average number of domestic workers for the policy period 7/2/2022 - 7/2/2023, divided between full-time and part-time employees.

	Location ID	Location	State	Class Code	Description	Basis	Count
1	1.1		NM	0908	DOMESTIC WORKERS-RESIDENCES-PART-TIME	Per Capita	
2							
3							

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Reporting Subcontract/Contract/Casual Laborers:

From the "General" tab select 'Yes':

CONTRACTORS

Did you pay any subcontractors or contract labor during this policy period?   ◉ Yes   ○ No

A "Contractors" tab will then appear so that all subcontract/contract/casual labor can be reported:

|	Name	Work Performed	Labor/Materials	Amount Paid
1	Raphael's Electric Inc	Electrical wiring for HVAC installations	Labor Only	6,500
2	Tim Allen dba Tim's Dirtwork	Excavation for plumbing lines	Labor Only	1,500
3	Jean's Plumbing Express LLC	Plumbing fixture installations for new homes	Labor and Materials	12,800
4	Terry Lovato	Office and shop cleaning	Labor Only	1,200
5				
6				

From the "Documents" tab, upload copies of their Workers' Compensation Insurance Certificates:

Upload a Certificate of Insurance for each contractor listed on the Contractors page. If Subcontractor(s) maintained their own coverage, Certificates MUST be included.

Note: If you are unable to upload documents in this page, please fax to 505-348-9320 or email to audit@newmexicomutual.com.

[Add...]

Here is an example of a Certificate of Insurance section that lists Workers' Compensation coverage:
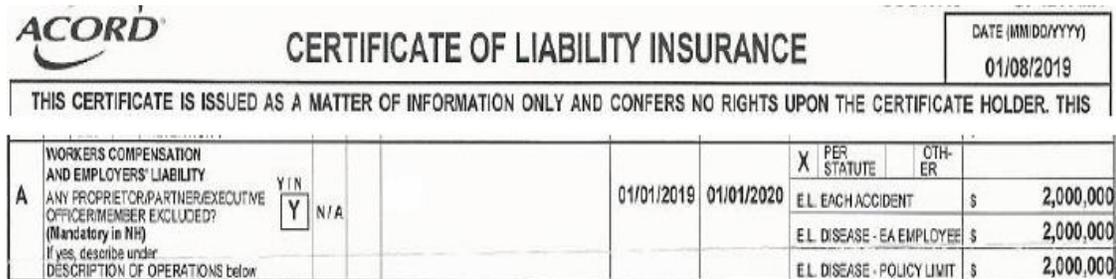
ACORD CERTIFICATE OF LIABILITY INSURANCE   DATE (MM/DD/YYYY) 01/08/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS

A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y N/A		01/01/2019	01/01/2020	X PER STATUTE / OTH-ER		
						E.L. EACH ACCIDENT	$	2,000,000
						E.L. DISEASE - EA EMPLOYEE	$	2,000,000
						E.L. DISEASE - POLICY LIMIT	$	2,000,000

Should you have any issues uploading these documents, please submit the audit, without uploading the documents, and add a comment in the Additional Comments section of the "General" tab as to how you will be submitting the supporting documentation. Please use the first page of your audit letter (with the bar code listed on the bottom right-hand corner) as your cover page and submit your payroll records with the letter by:

Email to: Audit@NewMexicoMutual.com or by Fax to: 505-348-9320 or 505-343-7720

Submitting final audits with Additional Named Insureds (More than one Entity):

- Please report the related Principals AND All Other Employees of ALL entities included for coverage during the policy period within the 'Payroll' Tab.

Document Upload Tips:

As part of the online process, please upload your supporting payroll documentation directly into the system under the 'Documents' Tab by selecting "ADD". You will then be prompted to select the file you wish to upload from your computer. Select 'Open' to choose the file. Repeat the process as needed until all required documents are reflected in the Uploaded File List. It is preferred that you do not upload Password Protected Files. **If you are uploading a Password Protected File, please provide the password required to open each document within the Additional Comments box at the bottom of the "General" tab.**

Additional Comments

File PW is: GOLOBOS2024

Issues with Uploading Documents through the Online System:

Should you have any issues uploading documents through the online system, you do have the ability to fax or email these records separately. Please submit the audit, without uploading the documents, and add a comment in the Additional Comments section of the "General" tab as to how you will be submitting the supporting documentation. Please use the first page of your audit letter (with the bar code listed on the bottom right-hand corner) as your cover page and submit your payroll records with the letter by:

Email to: Audit@NewMexicoMutual.com or by Fax to: 505-348-9320 or 505-343-7720

We will review the final audit once all records have been received.

How to verify the audit is fully completed and ready to submit through the online system:

The option to "Submit" will NOT display on the "Submit" tab until all sections are completed. Any errors will need to be corrected before you can submit the audit.

Submit

There are errors in your report. You must correct each error listed below before you can submit it.

⚠ Errors

- Required fields in the General page are empty. Go to the General page, find the required fields and fill them.
- Total Number of Employees cannot be zero. Go to the General page, find the Locations section and fill in the Number of Employees. Or, check the box that indicates there are no employees.
- No officers have been entered. Go to the Payroll page and ensure each officer has "Yes" entered in the Officer column. Also, enter the %Owner, Title and Duties of each.

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Once 'Submit' is selected, you will no longer be able to make changes or re-open the online entry process.

Submit

Your report is ready to submit but there are warnings. Review each warning listed below before you submit it.

To view the report, click here 📄.

If you accept all warnings, click the Submit button below.

⚠ Warnings
- No documents have been uploaded. Go to the Documents page and upload documents indicated there.

Submit

Once 'Submit' is selected, you will no longer be able to make changes or re-open the online entry process.

What to do if errors were made during the online process or if you have additional questions:

Should you find that mistakes were made when entering your final audit but were not discovered until AFTER the final audit has been submitted and can no longer be accessed, or if you need additional assistance at any time, please feel free to contact our office directly at 505-343-7720.

How do I submit the manual audit form if I prefer not to do the online version:

Please submit the fully completed manual form, along with your supporting payroll documentation, for the final audit period via:

Email to: Audit@NewMexicoMutual.com or by Fax to: 505-348-9320 or 505-343-7720