

FETAKGOMO LOCAL MUNICIPALITY



PAYROLL PROCEDURE MANUAL

1. Introduction

The main function of payroll is essentially to pay employees for work done. The information required to calculate the amounts that should be paid to employees reaches the payroll office in different forms and this information must be processed correctly in order to pay employees accurately and timeously.

Every payment made to employees must be accompanied by a pay slip containing all details with regard to the final payment.

Items affecting the Payroll Administration

The most important item is the legislation regulating payroll administration

- I. The Basic Conditions of Employment Act
- II. Labour Relations Act
- III. Income Tax Act
- IV. Unemployment Insurance Fund Act
- V. Skills Development Act
- VI. Occupational Injuries and Diseases Act

Other documents on the payroll are the Human Resources Policy, Travel & Subsistence Allowance Policy, Transport Policy, and Collective agreement by SALGBC.

2. Retention of supporting documentation

All supporting documents e.g. overtime claims, which are used by the payroll administrator for payroll input, must be retained and filed.

3. Payroll Input documents

Input documents must be submitted to Principal Payroll Clerk on or before the 7th of every month.

The Principal Clerk Expenditure and Manager Expenditure will verify the inputs and the Chief Financial Officer authorize them before they can be captured on the payroll system.

4. Payroll Run

The Principal Payroll Clerk must process all the inputs on the payroll system and check if figures have been correctly entered.

The Principal Payroll Clerk must print out the reports, payroll registers, bank lists or electronic funds transfers and schedule for all external parties sign them and submit to the Principal Clerk Expenditure on or before the 14th of every month.

The Principal Clerk Expenditure will then recommend if he/she agrees with what has been captured, submit to the Manager Expenditure to authorize and the Chief Financial Officer will approve payments.

Signed payroll registers, bank lists and the reports will be submitted to the Manager Expenditure on or before the 17th of every month.

5. Printing Payslips

Printing of payslips should be done on the 20th of each month and be distributed to all employees before they get their payments on the 25th

6. Discrepancies within Payroll

Whenever there are discrepancies that are noted in the payroll, the Principal Expenditure Clerk together with the Principal Payroll Clerk must always ensure that these queries are resolved. Authorisation to effect queries should be verified by both the Manager Expenditure and the Chief Financial Officer.

PAYROLL PROCESS

ITEMS	RESPONSIBILITY	DUE DATES
1.Submission of claims (e.g. overtime,etc)	All Employees	7 th each month
2.Compilation of salary inputs	Principal Payroll Clerk	9 th each month
3.Submission of Salary Inputs to Principal Expenditure Clerk for verification	Principal Payroll Clerk	9 th each month
4.Verification of inputs (1 st)	Principal Expenditure Clerk	10 th each month
5. Submission of Salary Inputs to Principal Manager expenditure for verification	Principal Expenditure Clerk	10 th each month
6.Verification of inputs	Manager Expenditure	11 th each month
7.Sign off of inputs	Chief Financial Officer	12 th each month
8.Payroll Run	Principal Payroll Clerk	14-15 th each month
9.Verification of Payroll registers	Principal Expenditure Clerk, Manager Expenditure & Chief Financial Officer	16-19 th each month
10.Verification of third party payments	Principal Expenditure Clerk and Manager Expenditure	16-19 th each month
11.Submission to Expenditure Section	Principal Payroll Clerk	20 th each month
12.Printing of Pay Slips	Principal Payroll Clerk	20 th each month
13.Payments of salaries	Finance: Expenditure Section	21 st each month