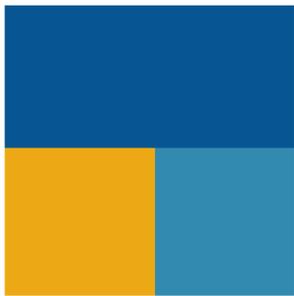


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Case Study 5 Exercise

Payroll Management

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What is Payroll?

The administration of the financial record of employees' salaries, wages, bonuses, net pay, and deductions.

Payroll is an employee's salary management system like:

TA (Travelling Allowance)

DA (Dearness Allowance)

HRA (House Rent Allowance)

Overtime

PT (Professional tax)

EPF (Employees' Provident Fund)

Canteen Deduction

Bonus

Advance Salary Deduction

April 2022		
1	1-4-2022	Mr. Gulabchand started a business with cash Rs. 500000.
2	8-4-2022	Mr. Gulabchand deposited cash Rs. 400000 in to HDFC Bank.
3	18-4-2022	Mr. Gulabchand purchased furniture of Rs. 12000 and AC of Rs. 26500 and payment made by cheque.
4	25-4-2022	Mr. Gulabchand paid cash Rs. 1200 for Stationary expenses.

May 2022

5	1-5-2022	<p>Mr. Gulabchand appoint the following employees.</p> <ol style="list-style-type: none"> 1. Manoj Verma as accountant manager 2. Rahul Rai as sales manager 3. Pooja Verma as production manager
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Their pay structure is as shown in the following table.

Pay Head	Manoj Verma	Rahul Rai	Pooja Verma
Basic Pay	Rs. 8000/Month	Rs. 7000/Month	Rs. 6000/Month
Overtime	Rs. 100/Hrs.	Rs. 50/Hrs.	Rs. 80/Hrs.
TA	Rs. 800 Flat per Month		
DA	As per law on current earning totals [<20000 (5%), <40000 (6%), else (8%)]		
HRA	20% of Basic Pay		
Bonus	As User defined Value		
Canteen Deduction	Rs. 600 Flat per month		
Professional Tax	As per law on current earning totals [<5000 (0), <8000 (60), <10000(100), <15000(150) else (200)]		
EPF Deduction	As per law, 12% on Basic Pay		

1. Create Employee Category

Employee Category Creation

Name : **Head Office**
 (alias) :

Allocate Revenue Items : **Yes**

Allocate Non-revenue items : **No**

2. Create Employee Group

Employee Group Creation

Category : **Head Office**

Name : **Manager**
 (alias) :

Under : **♦ Primary**

Define salary details : **No**

3. Create All Employee

Employee Alteration		UPCISS Payroll Management	
Category	:	Head Office	
Name	:	Manoj Verma	
(alias)	:		
Under	:	Manager (/ Primary)	
Date of joining	:	1-May-2021	
Define salary details	:	No	
Date of resignation/retirement	:		
General Information		Provide bank details : No	
Employee Number	:	01	
Designation	:	Accountant	
Function	:		
Location	:		
Gender	:	Male	
Date of birth	:		
Blood group	:		
Father's/mother's name:	:		
Spouse's name	:		
Address	:		
Phone no.	:		
E-Mail	:		
		Statutory Details	
		Income Tax Number (PAN) :	
		Aadhaar number :	
		Universal Account Number (UAN):	
		PF account number :	
		PR account number (PRAN) :	
		ESI number :	

Similarly for Rahul Rai and Pooja Verma

4. Create Unit

Unit Creation		Unit Creation			
Type	:	Simple	Type	:	Simple
Symbol	:	Hrs	Symbol	:	Min
Formal name	:	Hours	Formal name	:	Minutes
Number of decimal places	:	0	Number of decimal places	:	0

Unit Creation		
Type	:	Compound
Units with Multiplier Factors (example: Kgs of 1000 gms)		
First unit	Conversion	Second unit
Hrs	of 60	Min

Types of Units

- Compound
- Simple

5. Create Attendance/Production Type

Attendance/Production Type Creation UPCISS Payroll Management

Name : **Paid Leave**
 (alias) :

Under : ♦ **Primary**

Attendance type : **Attendance / Leave with Pay**
 Period type : **Days**

List of Attendance Types

- Attendance / Leave with Pay**
- Leave without Pay
- Production
- User Defined Calendar Type

Attendance/Production Type Creation UPCISS Payroll Management

Name : **Absent**
 (alias) :

Under : ♦ **Primary**

Attendance type : **Leave without Pay**
 Period type : **Days**

List of Attendance Types

- Attendance / Leave with Pay
- Leave without Pay**
- Production
- User Defined Calendar Type

Attendance/Production Type Creation UPCISS Payroll Management

Name : **Overtime**
 (alias) :

Under : ♦ **Primary**

Attendance type : **Production**

Unit : **Hrs of 60 Min**

Units

Hrs	<i>(Hours)</i>
Hrs of 60 Min	
Min	<i>(Minutes)</i>

6. Create Pay Head

Pay Head Creation	
Name	: Basic Pay
(alias)	:

Pay Head Information	
Pay head type	: Earnings for Employees
Income type	: Fixed
Under	: Indirect Expenses
Affect net salary	: Yes
Name to be displayed in payslip	: Basic Pay
Use for calculation of gratuity	: No
Calculation type	: On Attendance
Attendance/leave with pay	: ♦ Not Applicable
Leave without pay	: Absent
Calculation period	: Months
Basis of calculation (per day)	: As per Calendar Period

Pay Head Creation	
Name	: Overtime
(alias)	:

Pay Head Information	
Pay head type	: Earnings for Employees
Income type	: Fixed
Under	: Indirect Expenses
Affect net salary	: Yes
Name to be displayed in payslip	: Overtime
Use for calculation of gratuity	: No
Calculation type	: On Production
Production type	: Overtime
Rounding Off Information	
Rounding Method	: ♦ Not Applicable

Pay Head Creation	
Name	: TA
(alias)	:

Pay Head Information	
Pay head type	: Earnings for Employees
Income type	: Fixed
Under	: Indirect Expenses
Affect net salary	: Yes
Name to be displayed in payslip	: TA
Use for calculation of gratuity	: No
Calculation type	: Flat Rate
Calculation period	: Months

Pay Head Creation	
Name	: Bonus
(alias)	:

Pay Head Information	
Pay head type	: Earnings for Employees
Income type	: Variable
Under	: Indirect Expenses
Affect net salary	: Yes
Name to be displayed in payslip	: Bonus
Use for calculation of gratuity	: No
Calculation type	: As User Defined Value

Pay Head Creation		UPCISS Payroll Management
Name	: DA	Total Opening Balance
(alias)	:	

Pay Head Information		Computation Information			
Pay head type	: Earnings for Employees	Compute : On Current Earnings Total			
Income type	: Fixed	Effective From	Amount Greater Than	Amount Up To	Slab Type
Under	: Indirect Expenses	1-Apr-22			Value
Affect net salary	: Yes			20,000.00	Percentage 5 %
Name to be displayed in payslip	: DA		20,000.00	40,000.00	Percentage 6 %
Use for calculation of gratuity	: No		40,000.00		Percentage 8 %
Calculation type	: As Computed Value				
Calculation period	: Months				

Pay Head Creation UPCISS Payroll Management

Name : HRA (alias) :	Total Opening Balance
--------------------------------	------------------------------

<u>Pay Head Information</u>	<u>Computation Information</u>										
Pay head type : Earnings for Employees Income type : Fixed Under : Indirect Expenses	Compute : On Specified Formula Specified formula : <i>Basic Pay</i>										
Affect net salary : Yes Name to be displayed in payslip : HRA Use for calculation of gratuity : No Calculation type : As Computed Value Calculation period : Months	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Effective From</th> <th style="width: 15%;">Amount Greater Than</th> <th style="width: 15%;">Amount Up To</th> <th style="width: 15%;">Slab Type</th> <th style="width: 15%;">Value</th> </tr> </thead> <tbody> <tr> <td>1-Apr-22</td> <td></td> <td></td> <td>Percentage</td> <td align="right">20 %</td> </tr> </tbody> </table>	Effective From	Amount Greater Than	Amount Up To	Slab Type	Value	1-Apr-22			Percentage	20 %
Effective From	Amount Greater Than	Amount Up To	Slab Type	Value							
1-Apr-22			Percentage	20 %							

Pay Head Creation

Name : Canteen Deduction (alias) :
--

<u>Pay Head Information</u>
Pay head type : Deductions From Employees Under : Current Assets
Affect net salary : Yes Name to be displayed in payslip : Canteen Deduction
Calculation type : Flat Rate Calculation period : Months

Pay Head Creation		UPCISS Payroll Management				
Name	: Professional Tax					Total Opening Balance
(alias)	:					
Pay Head Information		Computation Information				
Pay head type	: Employees' Statutory Deductions	Compute		: On Current Earnings Total		
Under	: Current Liabilities	Effective From	Amount Greater Than	Amount Up To	Slab Type	Value
Affect net salary	: Yes	1-Apr-22		5,000.00	Value	0
Name to be displayed in payslip	: Professional Tax			8,000.00	Value	60
Calculation type	: As Computed Value			10,000.00	Value	100
Calculation period	: Months			15,000.00	Value	200

Pay Head Creation		UPCISS Payroll Management				
Name	: EPF Deduction					Total Opening Balance
(alias)	:					
Pay Head Information		Computation Information				
Pay head type	: Employees' Statutory Deductions	Compute		: On Specified Formula		
Under	: Current Liabilities	Specified formula : Basic Pay				
Affect net salary	: Yes	Effective From	Amount Greater Than	Amount Up To	Slab Type	Value
Name to be displayed in payslip	: EPF Deduction	1-Apr-22			Percentage	12 %
Calculation type	: As Computed Value					
Calculation period	: Months					

7. Alter Define Salary

Gateway of Tally		Payroll Masters	
		Employee Category	
		Employee Group	
		Employee	
		Units (Work)	
		Attendance/Production Type	
		Pay Heads	
		Define Salary	
		Payroll Voucher Type	
List of Groups / Employees			
			Create Back
Manager	♦ Primary	Head Office	
Manoj Verma	Manager	Head Office	
Pooja Verma	Manager	Head Office	
Rahul Rai	Manager	Head Office	

Salary Details Alteration UPCISS Payroll Management

Name : Manoj Verma (01)
 Under : Manager
 (// Primary)

Salary Details

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-May-22	Basic Pay	8,000.00	Months	Earnings for Employees	On Attendance	On Current Earnings Total Basic Pay
	Overtime	100.00	Hrs	Earnings for Employees	On Production	
	TA	800.00	Months	Earnings for Employees	Flat Rate	
	DA			Earnings for Employees	As Computed Value	
	HRA			Earnings for Employees	As Computed Value	
	Bonus			Earnings for Employees	As User Defined Value	
	Canteen Deduction	600.00	Months	Deductions From Employees	Flat Rate	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	
EPF Deduction			Employees' Statutory Deductions	As Computed Value		

Salary Details Alteration UPCISS Payroll Management

Name : Pooja Verma (03)
 Under : Manager
 (// Primary)

Salary Details

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-May-22	Basic Pay	6,000.00	Months	Earnings for Employees	On Attendance	On Current Earnings Total Basic Pay
	Overtime	80.00	Hrs	Earnings for Employees	On Production	
	TA	800.00	Months	Earnings for Employees	Flat Rate	
	DA			Earnings for Employees	As Computed Value	
	HRA			Earnings for Employees	As Computed Value	
	Bonus			Earnings for Employees	As User Defined Value	
	Canteen Deduction	600.00	Months	Deductions From Employees	Flat Rate	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	
EPF Deduction			Employees' Statutory Deductions	As Computed Value		

Salary Details Alteration UPCISS Payroll Management

Name : Rahul Rai (02)
 Under : Manager
 (// Primary)

Salary Details

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	Computed On
1-May-22	Basic Pay	7,000.00	Months	Earnings for Employees	On Attendance	On Current Earnings Total Basic Pay
	Overtime	50.00	Hrs	Earnings for Employees	On Production	
	TA	800.00	Months	Earnings for Employees	Flat Rate	
	DA			Earnings for Employees	As Computed Value	
	HRA			Earnings for Employees	As Computed Value	
	Bonus			Earnings for Employees	As User Defined Value	
	Canteen Deduction	600.00	Months	Deductions From Employees	Flat Rate	
	Professional Tax			Employees' Statutory Deductions	As Computed Value	
EPF Deduction			Employees' Statutory Deductions	As Computed Value		

8. Alter Define Salary

6	31-5-2022	Company adjust the salaries of employee for July month on the bases of present as per given below and paid salary by cheque.												
<table border="1"> <thead> <tr> <th>Name of Employee</th> <th>Absent</th> <th>Overtime</th> </tr> </thead> <tbody> <tr> <td>Manoj Verma</td> <td>3</td> <td>5 Hrs</td> </tr> <tr> <td>Pooja Verma</td> <td>2</td> <td>7 Hrs</td> </tr> <tr> <td>Rahul Rai</td> <td>2</td> <td>8 Hrs</td> </tr> </tbody> </table>			Name of Employee	Absent	Overtime	Manoj Verma	3	5 Hrs	Pooja Verma	2	7 Hrs	Rahul Rai	2	8 Hrs
Name of Employee	Absent	Overtime												
Manoj Verma	3	5 Hrs												
Pooja Verma	2	7 Hrs												
Rahul Rai	2	8 Hrs												

Gateway of Tally

MASTERS

- Create
- Alter
- CHart of Accounts

TRANSACTIONS

- Vouchers**
- Day Book

F10: Other Vouchers

Payroll Vouchers

- Attendance
- Payroll** Ctrl+F4

Attendance Voucher Creation		UPCISS Payroll Management				
Employee Name	Employee Number	Attendance/Production Type		Value	Unit	
Manoj Verma	01	Absent	Cur Bal: 3 Days	3 Days		
Pooja Verma	03	Absent	Cur Bal: 2 Days	2 Days		
Rahul Rai	02	Absent	Cur Bal: 2 Days	2 Days		
Manoj Verma	01	Overtime	Cur Bal: 5-0 Hrs	5 Hrs		
Pooja Verma	03	Overtime	Cur Bal: 7-0 Hrs	7 Hrs		
Rahul Rai	02	Overtime	Cur Bal: 8-0 Hrs	8 Hrs		

Payroll Vouchers

- Attendance
- Payroll** Ctrl+F4

E: Autofill

Autofill

Type of transaction : **Payroll Autofill**
 Process for : **Salary**
 From (blank for beginning) : **1-5-2022**
 To (blank for end) : **31-5-2022**
 Employee Category : **Head Office**
 Employee/Group : **Manager**
 Sort by : **Employee Name**
 Payroll/Bank/Cash Ledger : **HDFC Bank**
 Use Mode of Payment/Transaction Type : **No**

Payroll Voucher Creation		UPCISS Payroll Management		31-May-22	
Payroll No. 1		Status : Payroll autofill (Salary)		Tuesday	
Account : HDFC Bank				Amount	
Cur Bal: 3,61,500.00 Dr					
Particulars					
Head Office				23,810.42 Dr	
Manoj Verma				8,780.16 Dr	
Basic Pay	7,225.81 Dr	Cur Bal: 7,225.81 Dr			
Overtime	500.00 Dr	Cur Bal: 500.00 Dr			
TA	800.00 Dr	Cur Bal: 800.00 Dr			
DA	426.29 Dr	Cur Bal: 426.29 Dr			
HRA	1,445.16 Dr	Cur Bal: 1,445.16 Dr			
Canteen Deduction	600.00 Cr	Cur Bal: 600.00 Cr			
Professional Tax	150.00 Cr	Cur Bal: 150.00 Cr			
EPF Deduction	867.10 Cr	Cur Bal: 867.10 Cr			
				7,070.58 Dr	
Pooja Verma					
Basic Pay	5,612.90 Dr	Cur Bal: 5,612.90 Dr			
Overtime	560.00 Dr	Cur Bal: 560.00 Dr			
TA	800.00 Dr	Cur Bal: 800.00 Dr			
DA	348.65 Dr	Cur Bal: 348.65 Dr			
HRA	1,122.58 Dr	Cur Bal: 1,122.58 Dr			
Canteen Deduction	600.00 Cr	Cur Bal: 600.00 Cr			
Professional Tax	100.00 Cr	Cur Bal: 100.00 Cr			
EPF Deduction	673.55 Cr	Cur Bal: 673.55 Cr			
				7,959.68 Dr	
Rahul Rai					
Basic Pay	6,548.39 Dr	Cur Bal: 6,548.39 Dr			
Overtime	400.00 Dr	Cur Bal: 400.00 Dr			
TA	800.00 Dr	Cur Bal: 800.00 Dr			
DA	387.42 Dr	Cur Bal: 387.42 Dr			

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Jitendra Kumar

Account Number

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IFSC Code

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UPI ID

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