Using Payroll - Overview

Payroll

The payroll function provides a fully featured and integrated payroll in the same online manner as the accounting functions. All necessary payroll data is automatically recorded in as and when the payroll is run. All calculations and reports comply with Inland Revenue procedures.

Changes reflecting any new payroll regulations are automatically provided for new PAYE years.

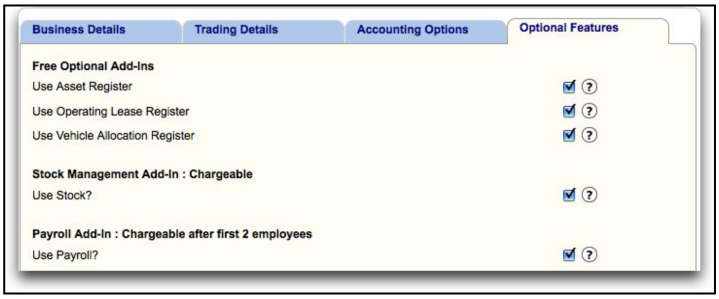
The Inland Revenue publish many guides to administering PAYE and Day to Day payroll, we strongly recommend that if you are unsure on any element of setting up and using a payroll you should read these documents and / or discuss with your advisor.

Activating the Payroll

Before any payroll facilities are available the feature needs to be activated, and in first instance the relevant PAYE year set; subsequently when a PAYE year is closed in the system the New Year is automatically rolled into. (Note that PAYE years run from the 6th April to the 5th April following, if necessary confirm with your advisor which year you are starting in)

Payroll is activated initially by ticking the **Use Payroll?** box in the **Optional Features** tab of **Profile**

ENTITY NAME→ PROFILE → OPTIONAL FEATURES



A payroll menu is now visible in the top-level menu items. The next stage is to configure Payroll to operate as required by the business. This is done in the Configure payroll screen.

NOTE: Messages and warnings may appear requesting the user to complete the configuration.

PAYROLL→ CONFIGURE PAYROLL→ BUSINESS PAYE SETTINGS

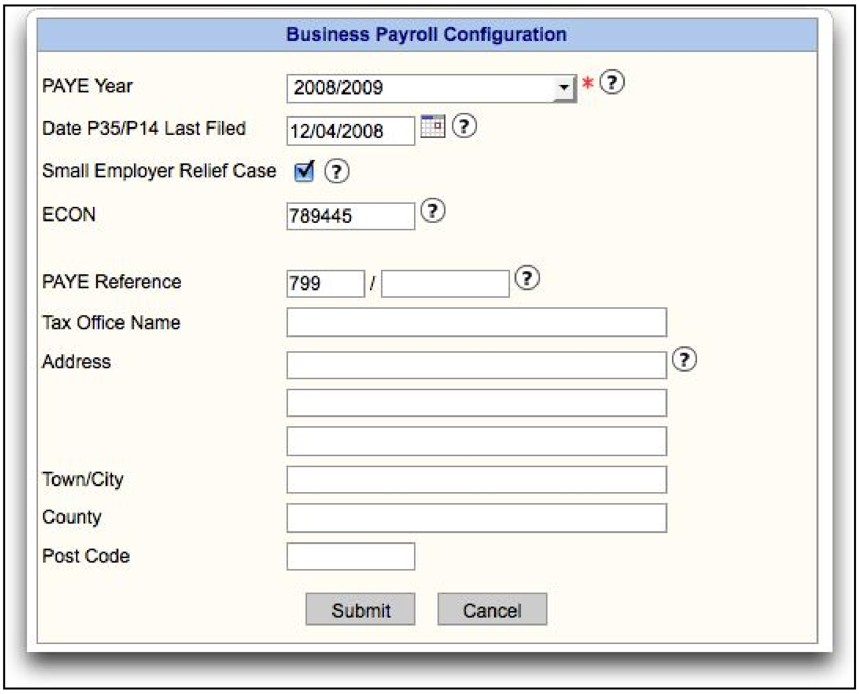
Select the **PAYE YEAR** from the dropdown. Enter the date that the **PAYE year end P35/P14** return was last filed. This will then be displayed as a reminder on the user home page after logging on.

If the **Small Employer Relief case** will apply tick the box.

Refer to www.inlandrevenue.gov.uk for information on current rates and thresholds applying to Small Employer Relief. As at 2009/2010 businesses paying less than £45,000 p.a. in National Insurance contributions were eligible for Small Employer Relief.

If the business is defined as entitled to Small Employer Relief the system will calculate the SMP/SPP/SAP that may be recovered (100%) and the NIC compensation that may be claimed by the employer (4.5%). Note that the calculation is applied as part of the payroll run so if your Small Employer status changes mid-year you should take professional advice. If the user defines their business as not entitled to Small Employer Relief Liberty Accounts will calculate the SMP/SPP/SAP that may be recovered (92%) using the standard rate.

If the business has a **ECON** number (Employers Contracted-Out Number) then enter it in the box.



Your **PAYE Reference** consists of the three digit tax office number followed by the employer reference supplied by the tax office.

(e.g. 123 / A12345). This field must be completed correctly if you are using online filing for PAYE

Finally **Tax Office Name** and **Address** may be added if required.

SUBMIT to confirm the update to the configuration.

Additionally, user access to the payroll is controlled. A particular user needs to be granted access by the entity primary user. Grant the user access via the **ENTITY NAME** menu.

BUSINESS → USER ACCESS → MANAGING EXISTING ACCESS

User Name	Full Name	Primary User ?	Payroll ?	Access ?
paul	Paul Taylor	✓	GRANT	

Add New...

Click on the GRANT button under payroll adjacent to the user who is to be granted access. Note that GRANT button changes to REVOKE and clicking on REVOKE button removes the access.
The payroll functions are accessed via the **PAYROLL** menu, which is now available.

Payroll Process in Summary

- If necessary ensure at least on bank account is available, see **Opening a Bank Account** user guide.
- Enter initial details of employees
- Define the types of remuneration (Monthly salary, Weekly pay, bonuses etc) which will be paid via the payroll, known as **GLOBAL PAY ELEMENTS** and at the same time the relevant account in the chart of accounts.
- Enter PAYE and National Insurance details of employees
- Associate appropriate **PAY ELEMENTS** to each Employee.
- Enter any prior pay details by employee if setting up for the first time or a new employee.
- Run payroll
- Make all payments, to employees as well as in the Inland Revenue and any pension organisations involved.
- File all printouts and received notices
- At the end of the PAYE year, run year end reports and close the year.

A convenient check list may be printed out each time you prepare and run a payroll. This check list is available via the Payroll User Guides under the **HELP** menu.

The Payroll Menu

The payroll menu options are divided into five key groups.

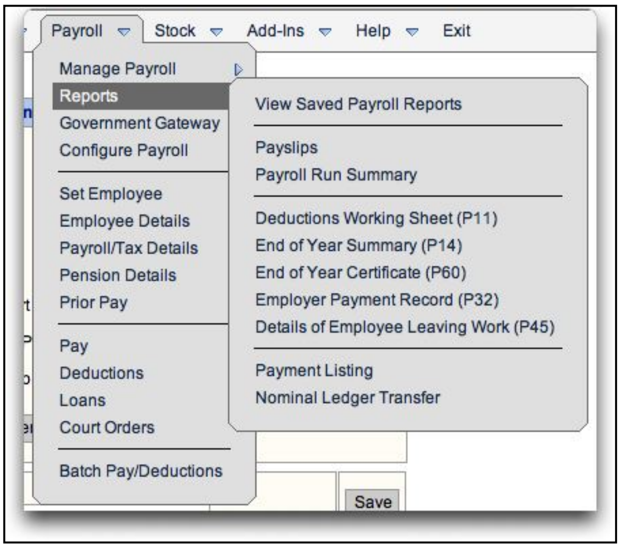
Manage Payroll – controls payroll runs. Facilities exist to view the history of payroll batch runs as well as rollback a particular payroll run for an employee or backup and restore payrolls.

Close PAYE year closes the current PAYE year and rolls the system into a new PAYE year. Bulk Tax Code Update allows for bulk adjustment to all tax code in the payroll. This is usually used for a new tax year when HMRC issue general instructions to amend all tax codes.

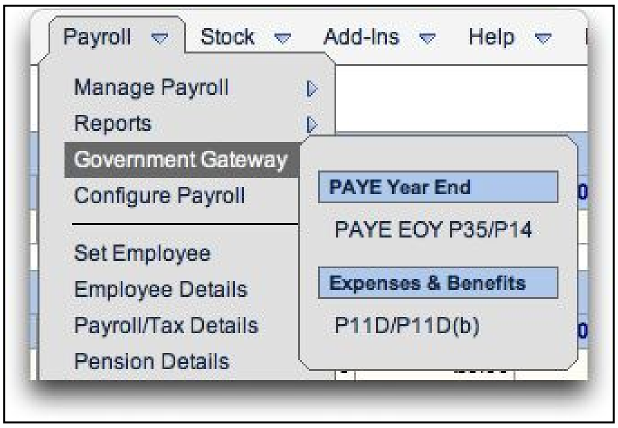
Reports – Provides reporting facilities for payslips, payroll summaries as well as the Inland Revenue forms P11, P14, P32, P45 and P60

Details of generated cheque lists for net pay are available as well as a report identifying the accounting entries into the nominal ledger.

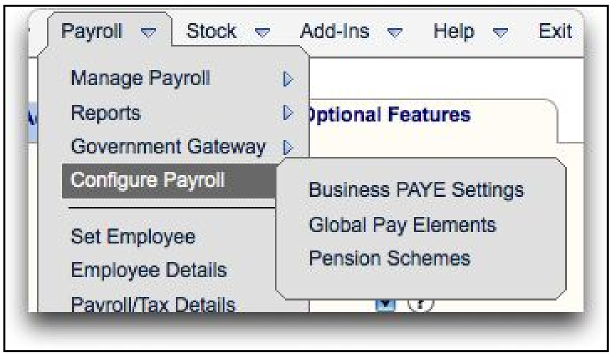
A export file with payment extracts that can be used for BACS/online banking is available from the **Payment Listing** report.



Government Gateway – Access the online filing facilities for year end PAYE filing as well as P11D online filing if this feature is being used.



Configure Payroll – Provides for basic payroll configuration data, and accesses the setup of global level details for pay elements and pension schemes.



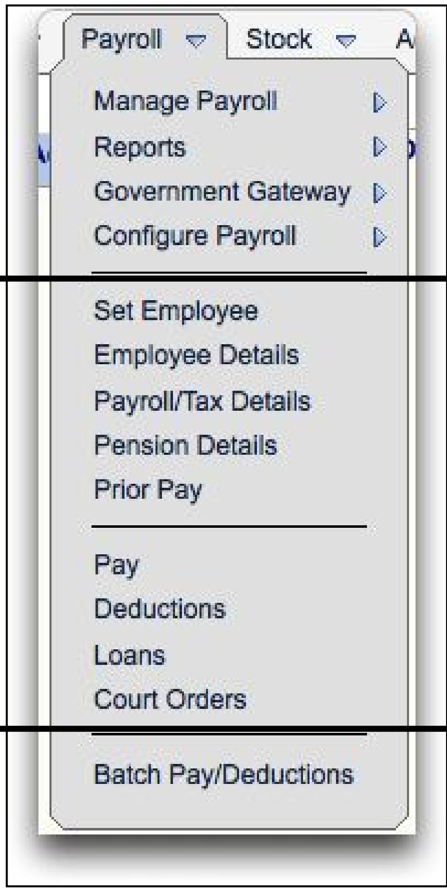
Set Employee – controls individual employee details and payroll items. **Set Employee** allows the user to select an employee from a dropdown list, from then, until another employee is **Set**, details for the individual employee may be amended by selecting any of the items below **Set Employee** in the menu.

Employee details; tax and pension information are entered here.

Prior pay details (when setting up for the first time or for a new employee) are also setup via these menu items.

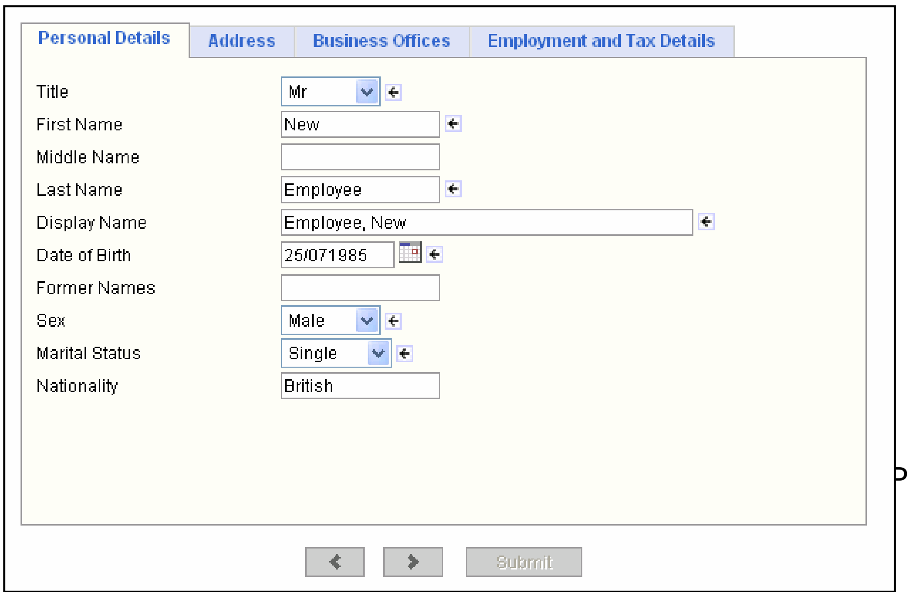
Details of pay and deductions for the pay period as well as information on any loans or court orders are recorded.

A batch update facility is available to amend pay and/or deduction data for multiple employees rather than one at a time. See **Setting up employee's payroll data** user guide for more information.



Setting up Initial details of an Employee

From the **LISTS** menu, either click **OFFICERS/EMPLOYEES** to show a list of existing and then select **ADD NEW** or select **ADD OFFICER/EMPLOYEE.**



A form with several tabs is displayed.

- In the **PERSONAL DETAILS** tab the relevant details.
- Enter the address information in the second tab (not mandatory)
- If necessary use the **BUSINESS OFFICES** tab, to select those offices the person will hold and input the required data.
  - In the case of a company the offices are Director or Company Secretary. The tab allows details of dates of appointment and resignation. If the individual is to sign the year-end statutory accounts, check the box.
  - For an LLP the offices are designated member and company secretary. The tab allows details of dates of appointment and resignation. If the individual is to sign the year end statutory accounts, check the box.
  - For a Not for Profit Organisation, Business Offices are known as Organisation Offices, a Trustee. The required information is the same as a business office.
- Finally in the **EMPLOYMENT DETAILS** tab, enter dates of employment.

Where Next?

The following payroll user guides provide further detail information on the payroll facilities.

- Initial Payroll setup
- Setting up employee's payroll data
- Running a payroll

In addition **Fast Start** user guide rapidly takes the user rapidly through a complete payroll cycle.

A **check list** can also be printed out as an action by action process guide for each payroll run.

The guides and the **check list** are available via the Payroll User Guides under the **HELP** menu.