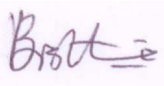





# The Catholic University of Eastern Africa

TITLE	AUTHOR
<b>PROCEDURE FOR PAYROLL CUEA/DVC FIN/FIN/10</b>	<b>SENIOR ACCOUNTANT</b>
	NO. OF APPENDICES:
	<b>5(FIVE) (A-E)</b>
<b>AUTHORIZATION</b> This Standard Operating Procedure is issued under the authority of:	
TITLE/POSITION	<b>FINANCIAL ADMINISTRATOR</b>
SIGNATURE	
DATE	<b>23 February 2011</b>
ISSUE DATE	<b>23 February 2011</b>
STAMP CONTROLLED / UNCONTROLLED	<b>CONTROLLED</b>
<b>NOTE:</b> <ol style="list-style-type: none"> <li>Write amendments on the page provided (Clause 0.2)</li> <li>Controlled copies of this document will be in the Financial Administrators office</li> </ol>	

## 0. CONTENTS AND RECORD OF CHANGES

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## 0.2 RECORD OF CHANGES

No.	Date <i>(dd-mm-yy)</i>	Details of Changes		Authorization
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## 0.3 Distribution / Circulation

This standard operating procedure is available at relevant functions for authorized users.

### 1. PURPOSE

To ensure timely, efficient, effective and consistent processing of the university payroll.


### 2. SCOPE

This procedure applies to processing of all staff payroll in CUEA

### 3. REFERENCES

- 4.1 University policies and procedures manual
- 4.2 Employment Act
- 4.3 Income Tax Act
- 4.4 Staff Salaries and Allowances Manual
- 4.5 Central Bank of Kenya- Banking Codes

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#### **4 TERMS AND DEFINITIONS**

- 4.1 Residents staff - are staff residing in the university premises.
- 4.2 Financial Summary report-A document that shows all employees, their payroll numbers, gross emoluments, total deductions and net pay.
- 4.3 Company Payroll Analysis report-Summary of the payroll.
- 4.4 Department Analysis Statistic report-classifies staff expenses into their respective departments.
- 4.5 Bank Giro report-gives a summary of staff to be paid by Electronic Fund Transfer and their bank details.
- 4.6 Cheque Summary report - summary of staff to be paid by cheque.
- 4.7 Statutory Deductions reports-includes NSSF,NHIF, PAYE, and HELB
- 4.8 Other deduction reports-includes among others Sacco deductions, Bank loan deductions,
- 4.9 Pay slip summary- includes gross , deductions and net pay for each staff
- 4.10 Separations - this includes dismissals, resignations, death, abscond,
- 4.11 Midmonth advances are salary payments done before end month
- 4.12 Claim forms - forms filled by part time lecturers requesting for payments for services rendered
- 4.13 ACCPAC - Accounting package which is a financial reporting system
- 4.14 Batching- keying payroll items in ACCPAC for processing
- 4.15 HRM- Human Resource manager

#### **5 PRINCIPAL RESPONSIBILITY**


The Financial Administrator has the overall responsibility for ensuring that this procedure remains adequate for its intended purpose and is effectively applied.

#### **6.0 METHOD**

##### **6.1 NEW APPOINTMENTS**

- 6.1.1 Appointment letters are received by the Payroll Accountant from the Financial Administrator accompanied by all the required documents
- 6.1.2 The payroll Accountant shall verify the appointment letter with respect to;
  - Name of Employee
  - Department deployed

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- Salary level
- Terms of engagement - casual, contract or permanent
- Effective date of appointment
- Signature of appointing authority

6.1.3 The accompanying documents are verified by the payroll Accountant and these include copies of:-

- Personal Identification Number(PIN) Certificate
- National Social Security Fund Card
- National Hospital Insurance Fund Card
- National Identity Card/Passport
- Bank Account Name, number and branch

6.1.4 The Payroll Accountant enters the employee details into the System as follows:-

6.1.4.1 The employee is allocated the payroll number manually to the employee after confirmation of the current last number in the payroll.

6.1.4.2 The employee information below is captured in the system:-

NSSF Number, NHIF Number, ID/Passport Number, PIN, Bank details-Account Number and Bank Code, Date of Birth, Department, Appointment date, Pay Details-Basic Pay, House allowance, Travel allowance for non residents and any other allowances e.g. Responsibility, entertainment, car allowance, telephone allowance if applicable


6.1.5 Employee details are then processed by the payroll accountant in the payroll system.

6.1.6 Reconciliation of input and output is done by the Payroll Accountant to ensure that all inputs have been captured.

6.1.7 After reconciliation the payroll accountant shall print the following records:- Financial Summary, Company Payroll Analysis report, Department Analysis Statistic report, Bank Giro report, Cheque Summary report, Statutory Deductions reports, other deductions reports, Pay slips.

6.1.8 The Senior Accountant shall verify, review the reports and forward to the HRM.

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- 6.1.9 The Human Resource Manager shall review and verify
- 6.1.10 The reports shall be authorized by the Financial Administrator/Senior Accountant.
- 6.1.11 The Vice-Chancellor shall approve the reports
- 6.1.12 The Payroll Accountant shall disburse the salaries to the employees' respective bank accounts
- 6.1.13 statutory deductions and other deductions are forwarded to the Payment Accountant for payment
- 6.1.14 Pay slips are prepared by the Payroll Accountant for dispatch to the staff (**Work Instruction 1**).
- 6.1.15 The payroll Accountant then backs up the payroll on to an external disk which is stored off site.

## **6.2 EXISTING EMPLOYEES.**

- 6.2.1 Adjustments or change requests from employees and Financial Administrator shall be effected into the payroll system by the payroll Accountant.
- 6.2.2 These adjustments include promotions, acting allowances, and annual increments, leave allowance bonus/Christmas gifts, deployments to different departments and separations which shall be received from the Financial Administrator (**Work Instruction 2**).
- 6.2.3 Other adjustment schedules which include bank loans, Sacco deductions, Cuea loans, Staff Meals shall be prepared by the Payroll Accountant (**Work Instruction 3**).
- 6.2.4 The Payroll Accountant then follows the method as from clause 6.1.5 to 6.1. 15 above.

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### **6.3 MIDMONTH ADVANCES**

6.3.1 Completely filled and authorized advance forms are received by the Payroll Accountant from the Financial Administrator on or before 12th day of each month.

6.3.2 The payroll accountant confirms whether a staff qualifies for advance applied for.

6.3.2.1 If the staff does not qualify for the applied amount the payroll Accountant shall recommend an adjustment and forwards it to the Financial Administrator/Senior Accountant.

6.3.2.2 If the staff qualifies for the advance, a summary is generated together with an EFT request by the Payroll Accountant which is forwarded to the Financial Administrator/Senior Accountant for approval.

6.3.3 The approved amounts is then paid through EFT, ZAP, or cash(Refer to payment procedure)

### **6.4 ELECTRONIC FUNDS TRANSFER**

6.4.1 Payroll Accountant prepares EFT request form ( See Appendix 1) which is verified by Financial Accountant, reviewed by the Senior Accountant, Authorized and approved by the Financial Administrator and or Vice Chancellor.


6.4.2 EFT data file is prepared by the Payroll Accountant and funds transferred.

6.4.3 A report confirming the amounts sent and beneficiaries is printed by the Payroll Accountant and filed.

6.4.4 Confirmation of amounts transferred is done against the bank statements by the Payroll Accountant.

### **6.5 PARTTIME PAYROLL**

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6.5.1 Completely filled, authorized and approved claim form is received from the Financial Administrator by the Payroll Accountant. Required details are:

- a) Faculty
- b) Department
- c) Lecturers name, Payroll Number, Pin Number and Bank Account Details
- d) Total Number of Hours taught, Rate per Hour and total amounts claimed
- e) Dates, Time , Course Codes, Course Titles and Number of Students
- f) Lecturers signature.
- g) Authorization by Head of Department and Dean of Faculty (Signature, Date and Stamp).

6.5.2 The Payroll Accountant Verifies hours claimed in comparison with the attached class attendance signed by students (**Work Instruction 4**).

6.5.3 The Payroll Accountant then exports excel worksheets into the payroll system

6.5.4 The Payroll Accountant then follows the method as from clause 6.1.5 to 6.1. 15 above

## **6.6 BATCHING TRANSACTIONS IN ACCPAC**


### **6.6.1 Batching to the Cashbook**

- Approved reports are used for batching by the Payroll Accountant.
- EFT transactions are keyed into ACCPAC cashbook module.
- A report is then printed which is verified by Financial Accountant and Approved for posting by the Senior Accountant.
- Reconciliation of payroll accounts and cashbook is done by the payroll Accountant.

### **6.6.2 General Ledger**

- Approved reports are used for batching by the payroll Accountant.
- Part time and full time payroll transactions are keyed and/or uploaded into ACCPAC general ledger module by the Payroll Accountant.
- A report is then printed which is verified by Financial Accountant and Approved for posting by the Senior Accountant.

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- Reconciliation of payroll accounts and general ledger is done by the Payroll Accountant and filed.

## **7.0 APPENDICES**

### **7.1 APPEDIX A:EFT FORM AND CLAIM FORM**

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**7.2 APPENDIX A: EFT FORM AND CLAIM FORM**

**THE CATHOLIC UNIVERSITY OF EASTERN AFRICA**



**A.M.E.C.E.A**

P.O. Box 62157  
00200 Nairobi - Kenya  
Telephone: 891601-6  
Fax: 254-20-891084  
E-mail: admin@cuea.edu

**ELECTRONIC FUNDS TRANSFER REQUEST FORM A**

NAME OF PAYEE

1. ....
2. ....
3. ....
4. ....
5. ....

KH

TOTAL AMOUNT TO EFT .....

Being Payment of .....

Prepared by:.....Date.....

**Payroll Accountant**

Verified by:.....Date:.....


**Financial Accountant**

Approved by:.....Date:.....

**Financial Administrator /Senior Accountant**

**CUEA/DVC FIN/FIN/10/fm2**

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**THE CATHOLIC UNIVERSITY OF EASTERN AFRICA**

**A. M. E. C. E. A.**

P.O. Box 62157  
 00200 Nairobi - Kenya  
 Telephone: 891601-6  
 Fax: 254-20- 891084  
 E-mail: admin@cuea.edu

**ELECTRONIC FUNDS TRANSFER REQUEST FORM B**

**NAME OF PAYEE**

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....

KHS

**TOTAL AMOUNT TO EFT** .....

**Being Payment of** .....

**Prepared by:**.....**Date:**.....

**Payroll Accountant**

**Verified by:**.....**Date:**.....

**Financial Accountant**

**Reviewed by:**.....**Date:**.....

**Senior Accountant**

**Payment Authorized by:**.....**Date:**.....


**Financial Administrator**

**Payment Approved by:**.....**Date:**.....

**Rector / Vice-Chancellor**

**CUEA/DVC FIN/FIN/10/fm1**

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**THE CATHOLIC UNIVERSITY OF EASTERN AFRICA**

**CLAIM FORMS FOR FULLTIME LECTURERS ONLY**

**FACULTY**  **DEPARTMENT**

**FULL NAME S** \_\_\_\_\_ **PART TIME PAYROLL NO** \_\_\_\_\_

**CLAIM FOR THE MONTH OF** \_\_\_\_\_ **PIN NO** \_\_\_\_\_

**AT KSH PER HOUR** \_\_\_\_\_ **TOTAL HOURS CLAIMED** \_\_\_\_\_

**CHEQUE PAYABLE TO** \_\_\_\_\_ **TOTAL AMOUNT CLAIMED** \_\_\_\_\_

**A: UNITS TAUGHT AS FULL TIME LECTURER (This section is mandatory)**

	YEAR	GROUP	COURSE CODE	COURSE TITLE	CORE OR ELECTIVE	NO OF HOURS	NO. OF STUDENTS
1							
2							
3							
4							

**B: UNITS CLAIMED**

	DATE	TIME	COURSE CODE	COURSE TITLE	CORE OR ELECTIVE	NO OF HOURS	NO. OF STUDENTS
1							
2							
3							
4							
5							
6							
7							
<b>TOTAL</b>							

I certify that the above work has been done

LECTURER'S SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

ENDORSED BY: \_\_\_\_\_ Date: \_\_\_\_\_

HEAD OF DEPARTMENT

Stamp of Head of Department

APPROVED BY: \_\_\_\_\_ Date: \_\_\_\_\_

DEAN OF FACULTY

Stamp of Dean of Faculty

**NOTES: 1. Form must be complete in all aspects for payment to be processed**

**2. Claims should not be made in arrears**


**3. Units taught in different departments must be claimed for separately.**

**AUTHORIZED FOR PAYMENT:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Financial Administrator

CUEA/DVC FIN/FIN/10/fm 4

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**THE CATHOLIC UNIVERSITY OF EASTERN AFRICA**

**CLAIM FORMS FOR PART TIME LECTURERS ONLY**

<b>FACULTY</b>	<input type="text"/>	<b>DEPARTMENT</b>	<input type="text"/>
FULL NAME S	_____	PART TIME PAYROLL NO	_____
CLAIM FOR THE MONTH OF	_____	PIN NO.	_____
AT KSH PER HOUR	_____	TOTAL HOURS CLAIMED	_____
CHEQUE PAYABLE TO	_____	TOTAL AMOUNT CLAIMED	_____

**UNITS TAUGHT (This section is mandatory)**

	DATE	TIME	COURSE CODE	COURSE TITLE	CORE OR ELECTIVE	NO OF HOURS	NO. OF STUDENTS
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							

I certify that the above work has been done

LECTURER'S SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

ENDORSED BY: \_\_\_\_\_ Date: \_\_\_\_\_  
 HEAD OF DEPARTMENT

Stamp of Head of  
Department

APPROVED BY: \_\_\_\_\_ Date: \_\_\_\_\_  
 DEAN OF FACULTY


Stamp of Dean of  
Faculty

- NOTES:** 1. Form must be complete in all aspects for payment to be processed  
 2. Claims should not be made in arrears  
 3. Units taught in different departments must be claimed for separately.

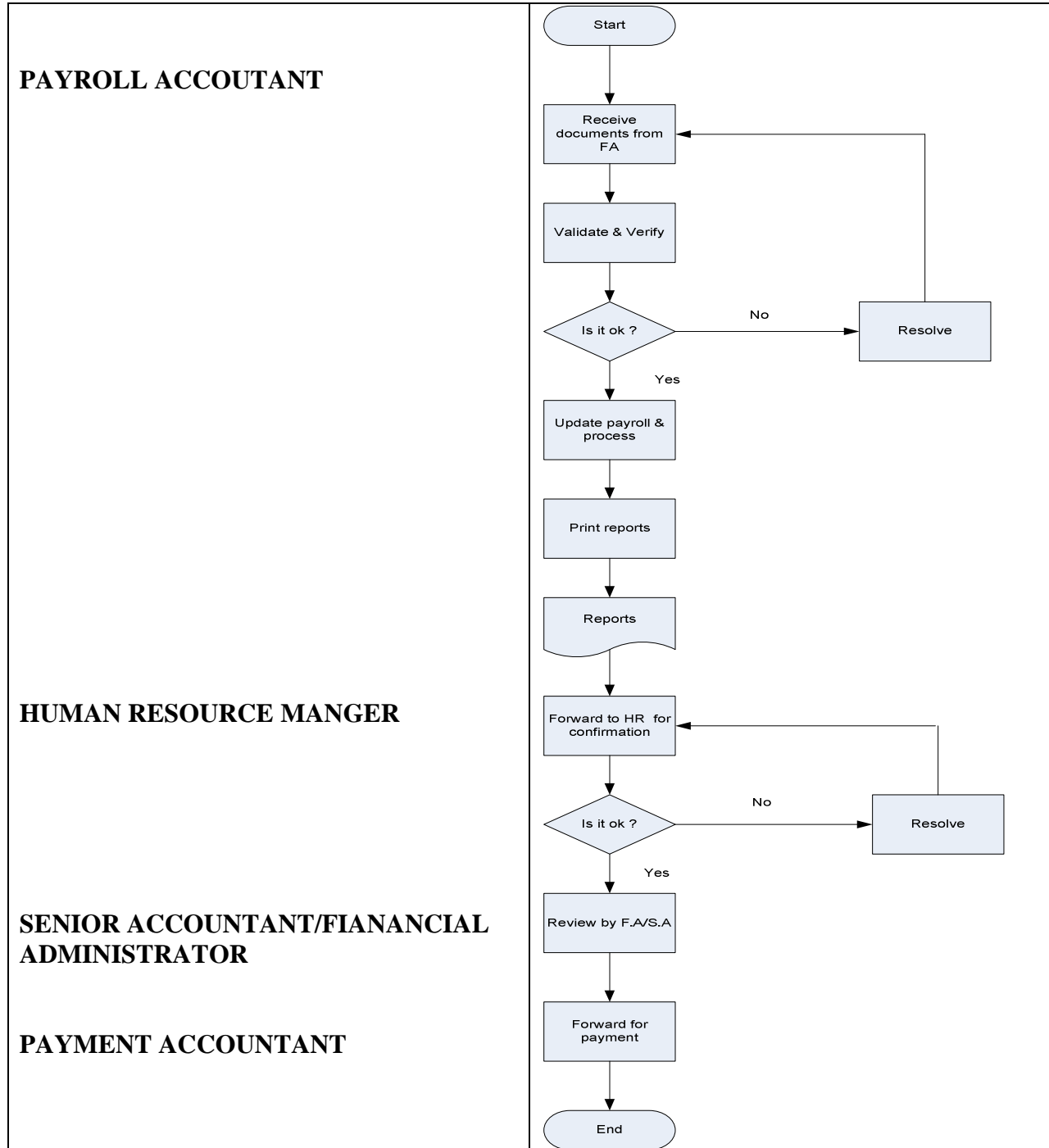
APPROVED/AUTHORIZED BY: \_\_\_\_\_  
 Financial Administrator

**CUEA/DVC FIN/FIN/10/fm 3**


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**7.2 APPEDIX B:PROCESS MAP**



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