

HR & PAYROLL **POLICY**



KBM CARE
SERVING THE UNSERVED



KBM Care Foundation ®



INTRODUCTORY COMMENT

This Policy is prepared by the HR team and senior management of KBM Care Foundation and approved by the Governing Body of the KBM Care Foundation effective August 2023 and as amended from time to time.

OBJECTIVE

- 1) The payroll function has been designed with the following objectives:
 - To develop an adequate system of internal controls over the payroll and its integration with the Administration and Finance departments;
 - To enhance the efficiency of payroll preparation and distribution to KBM Care FOUNDATION staff;
 - To facilitate information/data generation for personnel movement and its implications.

PAYROLL AUTHORIZATION AND EMPLOYEE DATABASE

- 2) At the time a new employee is inducted or a change in the status of a current employee occurs, Administration Assistant will be required to prepare the Payroll Authorization (**Annex “PA – 1”**) to reflect personnel action approved by the Director General and/or President.
- 3) The Payroll authorization serves as the basis for payroll preparation and will be prepared in three copies to be distributed as follows:

Copy 1	Employee’s personal file
Copy 2	To Employee
Copy 3	Accounts Department
- 4) On receipt of copy 3 of the approved Payroll Authorization, the Accounts Assistant will enter the related particulars into the employees' database. The database will be designed to contain, at minimum, the following information about each employee:
 - Employee ID;
 - Name;
 - Designation;
 - Location;
 - Gross Salary;
 - Bank Account Number;
 - Leave entitlement; and



- Medical entitlement.
- 5) Changes in the Payroll Authorization will only be made after approval from the competent authority has been obtained.

EMPLOYEES' PERSONAL FILES

- 6) Administration Departments will be mandated to keep up-to-date records of all employees for effective personnel-associated operations.
- 7) Employee records encompass personal employee information such as the job application, résumé, tax forms, demographic information, and records of training, performance, salary changes, and commendation or discipline. These shall, therefore, be held in confidence and safeguarded from unauthorized access.
- 8) The Administration Assistant will keep the following record of every employee, in the permanent employee's file, in sequential order:
- Application
 - C.V. of employee
 - Appointment letter
 - Copy of National Identity Card
 - Copy of educational certificates and degrees
 - Master information of the employee
 - Monthly attendance card
 - Payroll advice (monthly)
 - Increment letter
 - Leave application form
 - Loan / Advance application form
 - Advance repayment schedule
 - Any other relevant document
- 9) It will be the responsibility of all employees to inform the Administration Department of any changes in their particulars, such as changes in the address, telephone number, marital status or dependents information, etc.
- 10) The Administration Assistant will be responsible for keeping staff information up-to-date.

LEAVE REPORTING

- 11) Employees are required to mark their attendance each day on arrival to and departure from their respective workplaces, in a register kept in Administration Department. Attendance



record is the prime document in the preparation of an employee's payroll and assist in reporting the number of days worked during the month and leaves taken.

- 12) The Administration Assistant will be responsible for verifying the accuracy of the attendance marks and maintaining proper records of normal working hours, overtime, and leaves of each employee.
- 13) At the end of each month, the Administration Assistant will prepare a Summary of Leaves Availed (Annex "PA – 2") by noting the names of employees, employee numbers, and number of days absent and submit it to the Director Administration for review.
- 14) Director Administration will verify the leaves availed by an employee from the approved leave applications on file and forward the Summary of Leaves Availed with his comments to the Accounts Officer for payroll preparation.
- 15) All leaves up to the 20th of the month will be considered in the payroll preparation.

PAYROLL PREPARATION

- 16) After having received the requisite information, the Accounts Assistant will prepare the Payroll Sheet (Annex "PA – 3") at the end of the month.
- 17) The salary will be computed based on standard salaries indexed to KBM Care Foundation's salary scales. Deductions may be made for income taxes, salary advances, or unpaid leaves. Extra payments may be made for overtime, medical benefits, or other allowances.
- 18) Employees who resign, go on indefinite leave, or are suspended or separated and are given clearance, will be dropped from the payroll. Accounts of employees who are not given clearance will be offset against the employees' due wages and, if there are any remaining account balances, the employees will be asked to pay their liabilities before a clearance letter is issued.
- 19) Payroll Sheets will be forwarded to the Accounts Officer for checking and review. He will ensure that the Payroll Sheet is complete and accurate and that all of the allowances and authorized deductions have been posted therein.
- 20) The Payroll Sheet will then be redirected to the Accounts Assistant for the preparation of the Payment Voucher and Salary Transfer Advice requesting the bank to credit the account of each employee with an amount corresponding to his payroll.
- 21) The Accounts Officer will check the payment Voucher and Salary Transfer Advice for the correctness of the particulars written therein and forward them, along with the Payroll Sheet, to the Director General for approval.
- 22) The Director General will review and sign the documents in token of his approval and return them to the Accounts Officer, who will file the documents in departmental files.

PAYROLL PAYMENT



- 23) After the Payroll Sheet and the allied documents have been approved, the Accounts Officer will prepare a cheque for the pay amount and get it signed by the signatories.
- 24) All remunerations for regular and casual employees and/or consultants will be made through the Accounts Department. Auxiliary staff will get their salary in cash, whereas, salaries of other staff will be deposited into/transferred to their respective bank accounts. In cases where the employee does not have a bank account yet, his/her salary will be paid through a separate cheque duly signed by the signatories and crossed as "Payee Account Only".
- 25) Payment of salary will be made on the last working day of every month and each employee will be issued a Pay Slip (Annex "PA – 4") up to the 10th of the next month. It will be the duty of the employee to verify the accuracy of the pay slip and notify the Accounts Department about any discrepancy within seven days.
- 26) Each employee will be required to sign the pay slip in acknowledgment that he/she has received the amount. Accounts Assistant will be responsible for obtaining such acknowledgment.