

BSBFIA302 Process payroll using MYOB AccountRight

This workbook supports BSBFIA302 Process payroll in the Business Services Training Package

Copyright and restrictions

© Software Publications Pty Ltd, 2020

Under the Copyright Act 1968, training organisations are permitted to reproduce a total of 10 per cent or 1 chapter (whichever is greater) of this workbook for educational purposes providing the Copyright Agency Limited info@copyright.com.au is notified of the copying including number of pages, ISBN, author and publisher of the material. Original copyright statements must appear on reproduced material.

Except under the conditions stated, no part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, scanning, recording or any information storage and retrieval system without permission in writing from copyright owner or Software Publications Pty Ltd.

Electronic distribution and hosting

No part of this publication may be distributed by electronic or mechanical means. No part of this publication may be hosted, held, shared or published on a third party website, intranet or learning management system without permission in writing from the copyright owner and Software Publications Pty Ltd. Permission may be sought in writing from office@softwarepublications.com.au.

ISBN 978-1-921971-47-1

Author

Jo Voight

Certificate IV in Financial Services (Bookkeeping)

Certificate IV in Training and Assessment

Certificate IV in Small Business Management

ICB Fellow

Registered BAS agent



and

Software Publications writing team

Based on originating material written by

Marian Brown

Publisher

Software Publications Pty Ltd (ABN 75 078 026 110)

Unit 3, 25 Gibbes Street

Chatswood NSW 2067

www.softwarepublications.com.au

myob

Publishing
Partner

Limitations of liability

All rights reserved. No patent liability is assumed with respect to the use of the information contained herein. While every precaution has been taken in the preparation of this book, the publisher and authors assume no responsibility for errors or omissions. Neither is any liability assumed for damages resulting from the use of the information contained herein.

This information is for learning purposes only and is not to be taken as a substitute for professional advice. Consequently Software Publications Pty Ltd and the authors accept no responsibility to any person who acts on information herein without consultation with an accounting professional.

Because legislation, applications and websites are constantly changing, information, URLs and images used in this workbook may have changed. The expiry of this information, errors and/or omissions are not grounds for a refund on purchase.

Because business circumstances can vary greatly, the material is not designed to provide specific GST or business advice for particular circumstances.

Before you rely on this material for any important matter for your business, you should make your own inquiries about whether the material is relevant and still current, and whether it deals accurately and completely with that particular matter; and as appropriate, seek professional advice relevant to that particular matter.

Trademark information

Adobe®, Acrobat®, Acrobat Reader®, Adobe Reader®, PDF™ and PostScript® are trademarks or registered trademarks of Adobe Systems Incorporated.

Other products mentioned may be service marks, trademarks or registered trademarks of their respective owners

CONTENTS

| | |
|---|-----------|
| BSBFIA302 Process payroll..... | 1 |
| Assessment for this Unit | 4 |
| BSBHRM416 Process payroll | 4 |
| How to use this workbook | 5 |
| What you will need | 6 |
| How to download exercise files..... | 7 |
| Chapter 1 Payroll and its components | 9 |
| Components of payroll | 10 |
| Timelines and deadlines | 11 |
| Australian Taxation Office | 12 |
| Marginal tax rates and thresholds | 13 |
| Levies..... | 14 |
| Allowances | 14 |
| Child support..... | 17 |
| Study and higher education repayments..... | 17 |
| Fringe benefits tax | 18 |
| Superannuation..... | 18 |
| Tax and superannuation on salary and wages summary..... | 22 |
| Chapter 2 Legislation and professional bodies..... | 24 |
| Fair Work Act 2009 | 25 |
| National Employment Standards..... | 26 |
| Paid parental leave | 28 |
| Long service leave | 28 |
| Enterprise agreements..... | 29 |
| Privacy Act 1988 | 29 |
| Code of professional conduct | 30 |
| Single Touch Payroll | 30 |
| Progressive assessment 1 | 31 |
| Chapter 3 New employees..... | 32 |
| Legislative requirements | 33 |
| Commencement of employment | 33 |
| Tax file number declaration..... | 33 |
| Superannuation standard choice form | 35 |
| Chapter 4 Employer obligations..... | 36 |
| Responsibilities of processing payroll | 37 |
| Keeping records of hours worked | 38 |
| Payment of employee wages and salaries..... | 40 |
| Pay slip requirements | 41 |
| Progressive assessment 2 | 41 |
| Chapter 5 Process payroll manually..... | 42 |
| Manual payroll systems | 43 |
| Manual payroll systems and Single Touch Payroll..... | 43 |
| ABC Catering Pty Ltd manual payroll procedures..... | 47 |
| Calculating hours worked..... | 54 |
| Calculating leave entitlements | 56 |
| Preparing EFT wage payments..... | 57 |
| Preparing a pay slip | 57 |
| Preparing the payroll journal | 57 |
| Individual pay records | 59 |
| End of month reconciliation..... | 64 |
| Posting payroll to the general ledger..... | 64 |

| | |
|--|------------|
| Preparing a monthly trial balance..... | 66 |
| Preparing end of month liability payments | 66 |
| End of year procedures | 67 |
| PAYG payment summary and Single Touch Payroll finalisation..... | 67 |
| Progressive assessment 3 | 68 |
| Chapter 6 Using MYOB AccountRight | 69 |
| How to use MYOB for this workbook..... | 70 |
| MYOB AccountRight student edition | 71 |
| Installing MYOB AccountRight for PC | 71 |
| MYOB troubleshooting | 72 |
| Confirming a company file..... | 73 |
| Backing up a company file | 74 |
| Restoring a backup | 75 |
| Exiting the MYOB AccountRight company file | 76 |
| Chapter 7 Exploring the Payroll Command Centre | 77 |
| Computerised accounting and payroll systems..... | 78 |
| Payroll requirements and MYOB..... | 79 |
| Best Consultants Pty Ltd payroll procedures | 81 |
| Payroll Command Centre | 83 |
| Checking the payroll year..... | 84 |
| Wages accounts in the Accounts List..... | 86 |
| Exploring Payroll Categories | 87 |
| Wages category | 88 |
| Superannuation category | 91 |
| Entitlements category | 93 |
| Deductions category..... | 95 |
| Taxes category..... | 97 |
| Employment classifications | 97 |
| Single Touch Payroll setup..... | 98 |
| Employee card files | 98 |
| Chapter 8 Processing payroll using AccountRight | 110 |
| Reviewing the Electronic Payments Account..... | 111 |
| Processing pays | 111 |
| Payroll verification | 119 |
| Recording pays | 119 |
| Preparing the electronic payment file..... | 119 |
| Viewing payroll figures in a profit & loss..... | 122 |
| Correcting payroll errors | 125 |
| Editing banking details | 126 |
| Processing pays using MYOB Timesheets | 129 |
| End of month payroll reports | 132 |
| Payroll queries..... | 133 |
| Reconciling gross wages and superannuation..... | 134 |
| Reconciling payroll liabilities to general ledger accounts | 135 |
| Displaying employee entitlements..... | 136 |
| Correcting entitlement errors..... | 137 |
| Chapter 9 Paying deductions withheld..... | 138 |
| Paying superannuation using SuperStream..... | 140 |
| Chapter 10 Processing pays and handling inquiries | 143 |
| References..... | 154 |
| Index..... | 155 |



About the author

Jo Voight is an experienced bookkeeper, BAS agent and business advisor, having worked in the industry since 2008. Prior to becoming a bookkeeper, she worked as a chef and kitchen manager in large organisations during which time she was responsible for kitchen costs and financial reporting. It was from this aspect of being a food professional that she swapped to working with money management and becoming qualified as a BAS agent.

Her private practice is focused on contract BAS services, as well as consulting to start-ups and small businesses on costing and best practice business systems, money management, compliance, cash flow and personalised software training.

She loves to work with micro to small businesses, particularly creative entrepreneurs, holistic health and wellbeing practitioners, artists, sustainable businesses and evolutionary business owners in any industry.

Concurrent to working with her own clients, Jo was a part-time staff member of the Institute of Certified Bookkeepers (ICB) for over five years. During this time she looked after the Institute's accounts, was part of the technical support team for members, wrote many technical resources and also managed the monthly newsletter production.

In addition to working as a BAS agent and small business advisor, Jo also offers mentoring and supervision to new bookkeepers, technical and content writing for the bookkeeping industry and she conducts software training in various accounting programs including MYOB.

As an ICB Accredited Supervising BAS Agent, she's passionate about mentoring new bookkeepers to instil in them the confidence and knowledge to become an excellent and professional tax practitioner. She also loves working with established bookkeepers as a coach and counsellor to assist them as business owners in their own continuous personal and professional development.

Since 2012 Jo has facilitated a monthly meeting for ICB in Melbourne, an invaluable face-to-face resource for bookkeepers and BAS agents to network, learn, exchange ideas and support each other.

Jo is a Fellow Member of ICB and has served on the advisory board since its inception. She also serves on the RMIT Accounting and Bookkeeping Program Advisory Committee.

Sample pages

BSBFIA302 Process payroll

Application

This unit describes skills and knowledge required to process payroll from provided data using manual and computerised payroll systems.

It applies to individuals employed in a range of work environments who are responsible for payroll functions within an organisation. They may work as individuals providing administrative support within an enterprise, or may be other members of staff who have been delegated payroll responsibilities.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Elements and Performance Criteria

| Element <i>Elements describe the essential outcomes.</i> | Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i> | Workbook reference |
|--|---|---|
| 1 Record payroll data | 1.1 Check payroll data and clarify discrepancies with designated persons | Chapter 5 Process payroll manually Chapter 8 Processing payroll |
| | 1.2 Enter employee pay period details and any deductions and allowances in payroll system in accordance with source documents | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll Chapter 9 Paying deductions withheld |
| | 1.3 Calculate payment due to individual employees to reflect standard pay and variations in accordance with employee source data | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| 2 Prepare payroll | 2.1 Prepare payroll within designated timelines and in accordance with organisational policy and procedures | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Command Centre Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| | 2.2 Reconcile total wages for pay period, check or correct irregularities or refer to designated persons for resolution | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| | 2.3 Make arrangements for payment in accordance with organisational and individual requirements | Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll using AccountRight |
| | 2.4 Obtain authorisation of payroll and individual pay advice in accordance with organisational requirements | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |

| Element <i>Elements describe the essential outcomes.</i> | Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i> | Workbook reference |
|--|---|--|
| | 2.5 Produce, check and store payroll records in accordance with organisational policy and security procedures | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll |
| | 2.6 Follow security procedures for processing payroll and for maintaining payroll records | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll |
| 3 Handle payroll enquiries | 3.1 Respond to payroll enquiries in accordance with organisational and legislative requirements | Chapter 2 Legislation and professional bodies Chapter 7 Exploring the Payroll Command Centre Chapter 10 Processing pays and handling inquiries |
| | 3.2 Provide information in accordance with organisational and legislative requirements | Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 10 Processing pays and handling inquiries |
| | 3.3 Ensure all enquiries outside area of responsibility and knowledge are referred to designated persons for resolution | Chapter 1 Payroll and its components Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 10 Processing pays and handling inquiries |
| | 3.4 Complete additional information or follow-up action within designated timelines in accordance with organisational policy and procedures | Chapter 1 Payroll and its components Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 9 Paying deductions withheld Chapter 10 Processing pays and handling inquiries |

Foundation skills

| Skill | | Description | Workbook reference |
|----------------------------|---------------------------------------|---|---|
| Reading | 1.1-1.3, 2.1-2.6, 3.1-3.4 | <ul style="list-style-type: none"> Interprets a range of textual information to determine activities required | Throughout workbook |
| Writing | 1.1-1.3, 2.1-2.6, 3.1-3.4 | <ul style="list-style-type: none"> Accurately records textual information and maintains personal and banking details using format, language and structure in context | Throughout workbook |
| Oral communication | 1.1, 3.1-3.4 | <ul style="list-style-type: none"> Explains financial issues clearly using terminology and tone appropriate to audience | Through discussions with trainer and/or fellow learners |
| | | <ul style="list-style-type: none"> Uses questioning and listening skills in verbal exchanges to clarify information | Through discussions with trainer and/or fellow learners |
| Numeracy | 1.1-1.3, 2.1, 2.2, 2.5, 3.1-3.3 | <ul style="list-style-type: none"> Uses a limited range of mathematical calculation to calculate and reconcile amounts and arrange/compare numerical information | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight |
| Navigate the world of work | 1.2, 1.3, 2.1, 2.3-2.6, 3.1, 3.2, 3.4 | <ul style="list-style-type: none"> Adheres to legislative requirements and organisational policies and procedures relevant for own work | Throughout workbook |
| Interact with others | 1.1, 2.2, 3.1-3.3 | <ul style="list-style-type: none"> Selects the appropriate mode of communication for a specific purpose | Through discussions with trainer and/or fellow learners |
| | | <ul style="list-style-type: none"> Collaborates with others to achieve predetermined goals | Chapter 10 Processing pays and handling inquiries |
| Get the work done | 1.1-1.3, 2.1-2.6, 3.2, 3.4 | <ul style="list-style-type: none"> Takes responsibility for own workload and monitors adherence to specified goals and timelines | Throughout workbook |
| | | <ul style="list-style-type: none"> Recognises and takes responsibility for resolving problems relevant to own role | Throughout workbook |
| | | <ul style="list-style-type: none"> Takes responsibility for routine low-impact decisions within familiar situations | Throughout workbook |
| | | <ul style="list-style-type: none"> Uses digital technologies to access, record, store, organise and compile data as required | Throughout workbook |

Assessment for this Unit

This Unit is assessed by:

- submitting completed exercises
- completing a progressive assessment
- completing a final assessment.

Assessment requirements

Performance evidence

| Evidence of the ability to: | Workbook reference |
|---|--|
| <ul style="list-style-type: none"> • plan and perform payroll calculations in accordance with all legislative and organisational requirements, and predetermined timelines | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld Chapter 10 Processing pays and handling inquiries |
| <ul style="list-style-type: none"> • refer enquiries outside area of responsibility to an appropriate authority. | Chapter 2 Legislation and professional bodies Chapter 10 Processing pays and handling inquiries |

Knowledge evidence

The candidate must be able to demonstrate the following knowledge to effectively complete the tasks outlined in the elements and performance criteria of this unit, and to manage tasks and reasonably foreseeable contingencies in the context of the work role.

| | Workbook reference |
|--|--|
| <ul style="list-style-type: none"> • identify the key provisions of relevant legislation, standards and codes of practice that may affect payroll operations. | Chapter 2 Legislation and professional bodies |
| <ul style="list-style-type: none"> • outline relevant organisational policies and procedures | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld Chapter 10 Processing pays and handling inquiries |
| <ul style="list-style-type: none"> • list the different types of payroll systems. | Chapter 1 Payroll and its components Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Command Centre |

BSBHRM416 Process payroll

At the time of writing this workbook BSBFIA302 Process payroll was under review and a draft BSBHRM416 Process payroll was circulated for industry feedback. This workbook has been written to include additional requirements in that draft.

| | |
|-----------------|--|
| 8. Entitlements | Days an employee accrues under the terms of awards/work agreements: <ul style="list-style-type: none"> • annual leave • personal leave • rostered days off • accrued days off • long service leave. |
|-----------------|--|

Timelines and deadlines

Whether at work or at a training organisation, your tasks will have a **timeline** attached. In the context of payroll, a timeline is a schedule of activities that needs to happen in order for the organisation to meet its legislative requirements and obligations to employees.

A **deadline** is the date or time by which the activity must be completed and submitted.

The following is a simple timeline for a weekly payroll period. The *Done* column can be used to tick off activities as they are completed.

| Activity | Due | Done |
|--|-----------------|------|
| Distribute time sheets to employees for next payroll period | Wednesday 09:30 | ✓ |
| Check all time sheets have been submitted by employees | Thursday 09:30 | ✓ |
| Follow up on time sheets still requiring sign off | Thursday 10:30 | ✓ |
| Check for leave application forms and collate with employee's time sheet | Thursday 11:00 | ✓ |
| Input time sheet data into MYOB | Thursday 12:00 | |
| Obtain payroll verification from Financial Controller | Thursday 14:00 | |
| Prepare and lodge bank file for EFT payments | Thursday 15:00 | |
| Distribute pay slips to employees | Friday 09.30 | |

A very simple task, e.g. writing a memo to employees, will probably only have a deadline rather than a detailed timeline.

The timeline or deadline may be set by:

- organisation procedures
- legislative or regulatory requirements.

When you have deadlines to meet, it is important that you keep these dates in mind and organise your work tasks so that the deadline is met. Enter all key dates into a calendar and make sure sufficient time is allocated for each activity.

In some cases deadlines may be able to be negotiated with your supervisor. You will both need to agree the timeframe allocated to the task will be sufficient to complete it to the required standard.

If you realise that a deadline will not be met, it is important to let your workplace supervisor know as soon as possible as missing deadlines could incur financial penalties. Your supervisor may be able to allocate more resources to help meet the deadline.

Code of professional conduct

It is good practice for businesses to document ethical principles and practices, including industry codes that must be adhered to. This will minimise misunderstandings and give a good reference point for what is acceptable and unacceptable behaviour whilst performing workplace duties.

Processing payroll is a bookkeeping task as well as a human resources task.

The Institute of Certified Bookkeepers (ICB) has a Code of Professional Conduct to ensure ethical behaviour by its member bookkeepers and to:

- maintain the public trust in the accounts and books of businesses and individuals
- preserve the dignity of the professional bookkeeping profession.

Exercise 9

1. Search the internet for an Australian **code of conduct** or **code of practice** in relation to **processing payroll** that is applicable to your workplace industry. If you are not working, use the industry you wish to work in.
2. Read the code and summarise what it states in relation to processing payroll.
3. At the top of your summary, provide the name of the code, source, i.e. internet address, and date accessed.

Submit your completed exercise as instructed by your trainer.

Single Touch Payroll

Single Touch Payroll (STP) is a government initiated change in reporting obligations for all employers. Large employers started reporting on 1 July 2018 and most other employers must report from 1 July 2019. STP submits wage, tax and superannuation information directly to the ATO. This is mandatory for all employers, although there are some reporting concessions available for certain types of employers.²⁵

Reporting employers must submit payroll and superannuation data to the ATO each time employees are paid. This is referred to as a **pay event**.

Pay events are reported electronically to the ATO either directly by the business from STP enabled payroll software, or through a third party such as a BAS or tax agent who has STP enabled lodgement software. There are free or low-cost options for micro employers (1-4 employees).

The ATO achieves greater visibility of all employers' payroll data to ensure the employer is correctly reporting and paying their PAYG withholding and superannuation guarantee contribution obligations.

Entering into the STP system means that the payroll system and individual employee information (name, address, date of birth, TFN) needs to be accurate and complete all year. As soon as a new employee is engaged, employers need to complete all required personal information fields before the first pay run for the new employee.

Each pay event triggers the requirement to report to the ATO. Each pay event must be submitted to the ATO by an authorised person for the business. This person must be able to verify that the payroll information is true and correct. The authorised person will be either the payroll manager or other appropriate person in your organisation or a registered BAS or tax agent.

Once an employer starts reporting in the STP system, all payroll data for the financial year-to-date is submitted to the ATO at each pay event. Employers no longer need to issue payment summaries at the end of the year. Payment information for the financial year will be visible to employees through their myGov account once the payroll information has been

Keeping records of hours worked

The Fair Work Ombudsman sets out the record keeping requirements for time and wage records:

Employers must keep a number of written records of their employees for seven years. This includes records about time and wages. They must be legible, in English and be readily accessible to an inspector. Records cannot be changed unless it is to correct an error. Records must not be false or misleading.

A business could use the following to record start/finish and hours worked:

- time book where employees sign in and out
- time sheets
- time clock using punch cards, online time clocks, swipe cards or finger print activated recording devices.

Wages and salaries are a major expense for businesses and steps must be taken to ensure theft or fraud does not occur. The records must be kept securely following privacy principles and completed in accordance with organisational policies and procedures.

Time sheets

Many organisations use some form of time sheet, either manual or electronic, to capture the hours worked by an employee. Time sheets are classed as source documentation and need to be retained for seven years.

Using a spreadsheet application

A time sheet could also be prepared in a spreadsheet app. This is specialist work and requires knowledge outside the scope of this Unit.

Example

| | A | B | C | D | E | F | G | H |
|----|-----------------------|-----------|--------------|----------|----------|----------|----------|----------|
| 1 | Last-First Name | | | | | | | |
| 2 | Week Ending | 30/10/20 | Basic Hours: | 7.5 | | | | |
| 3 | | Wednesday | Thursday | Friday | Saturday | Sunday | Monday | Tuesday |
| 4 | Start Time | 8:00 AM | | | 8:00 AM | 8:00 AM | | |
| 5 | Finish Time | 4:00 PM | | | 4:00 PM | 10:00 AM | | |
| 6 | Break (mins) | 60 | | | 60 | | | |
| 7 | Job Number | | | | | | | |
| 8 | Notes | | | | | | | |
| 9 | | 12 | 0 | 0 | 7 | 2 | 0 | 0 |
| 10 | | 4.5 | 0 | 0 | 4 | 0 | 0 | 0 |
| 11 | | 1.5 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | MUST NOT MOVE | 24/10/20 | 25/10/20 | 26/10/20 | 27/10/20 | 28/10/20 | 29/10/20 | 30/10/20 |
| 13 | Base Hourly | 7.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 14 | Overtime (1.5x) | 3 | 0 | 0 | 3 | 0 | 0 | 0 |
| 15 | Overtime (2x) | 1.5 | 0 | 0 | 4 | 2 | 0 | 0 |
| 16 | Meal Allowance | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 | Personal Leave | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 | Holiday Pay | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Holiday Leave Loading | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

26

Using time sheet and rostering applications

Cloud apps are available that perform the time sheet/rostering functions for a business. These packages also integrate with accounting apps to prevent duplication of information.

Collecting/filing payroll details for Casey Fields

Casey has started work today.

Exercise 20

Collate the following information into an employee file for Casey covering all aspects of ABC Catering's policies and procedures.

1. What will Casey's rate of pay be?
2. Make a list of information which should be given to Casey.
3. Open the tax file number declaration form in your working folder.
4. Print and complete the tax file number declaration using the information on this page and where required, information of your own choice (pretending you are Casey).

OR

Save As the TFND form with an appropriate file name in a new folder for Casey's records and complete it electronically.

5. What happens to this document once it is completed?
6. If you have used a printed TFND form, file the completed declaration in Casey's employee file.

Assume Casey has completed the following employee information request:

| | | | |
|--|----------------------|-------|--------------|
| ABC Catering Pty Ltd ABN: 35 933 853 286 25 Bathurst Road Penrith NSW 2750 (02) 4782 1020 | | | |
| Employee information request | | | |
| Complete the following information required by our company to meet payroll requirements and return to the payroll manager. This information will be confidential and not made available to persons other than payroll staff. | | | |
| Name | Casey Fields | | |
| Phone number | 07 3111 2111 | | |
| Next of kin in the event of an accident | Mary Fields (mother) | | |
| Next of kin contact number | 07 3111 2111 | | |
| Medical conditions which as your employer we should be aware of in case of an emergency | Nil | | |
| Tax file number | 267 125 971 | | |
| Bank account details for direct payment of wages | | | |
| BSB | 014 612 | | |
| Account number | 223346 | | |
| Account name | Casey Fields | | |
| Are there any deductions you require from your wages? If so, please list amount and to whom the payment is to be made. \$2 per week to Royal Flying Doctor | | | |
| Signature of employee: | Casey Fields | Date: | Current date |

7. Add the above information to the employee file you have created for Casey to comply with record keeping obligations.


Example pay history screen from within the employee card information


| Profile | Card Details | Payroll Details | Payment Details | Contact Log | History | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|---|-----------------|-----------------|-------------|---------|-----------------------------|--|--|-------------|--|----------|-----------------|--|---------|-----------------------|--|--------|-------------|--|--------|-----------------|--|--------|---------------|--|--------|----------------|--|--------|-------------------|--|--------|----------------|--|--------|-------------|--|--------|---------------|--|--------|------------------|--|----------|--------------|--|--|---------------------------|--|-------|----------------------------|--|-------|-------------------|--|--|----------|--|---------|
| Personal Details | Show Pay History for: <input type="text" value="September"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | Payroll Category | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Superannuation | <table border="1"> <thead> <tr> <th colspan="3">Wages, Deductions and Taxes</th> </tr> </thead> <tbody> <tr><td>Base Hourly</td><td></td><td>\$928.80</td></tr> <tr><td>Phone Allowance</td><td></td><td>\$10.00</td></tr> <tr><td>Holiday Leave Loading</td><td></td><td>\$0.00</td></tr> <tr><td>Holiday Pay</td><td></td><td>\$0.00</td></tr> <tr><td>Overtime (1.5x)</td><td></td><td>\$0.00</td></tr> <tr><td>Overtime (2x)</td><td></td><td>\$0.00</td></tr> <tr><td>Personal Leave</td><td></td><td>\$0.00</td></tr> <tr><td>Vehicle Allowance</td><td></td><td>\$0.00</td></tr> <tr><td>Meal Allowance</td><td></td><td>\$0.00</td></tr> <tr><td>Social Club</td><td></td><td>\$2.00</td></tr> <tr><td>Cancer Appeal</td><td></td><td>\$2.00</td></tr> <tr><td>PAYG Withholding</td><td></td><td>\$161.00</td></tr> <tr><td colspan="3">Entitlements</td></tr> <tr><td>Holiday Leave Accrual - O</td><td></td><td>2.923</td></tr> <tr><td>Personal Leave Accrual - O</td><td></td><td>1.461</td></tr> <tr><td colspan="3">Employer Expenses</td></tr> <tr><td>Sunsuper</td><td></td><td>\$88.23</td></tr> </tbody> </table> | | | | | Wages, Deductions and Taxes | | | Base Hourly | | \$928.80 | Phone Allowance | | \$10.00 | Holiday Leave Loading | | \$0.00 | Holiday Pay | | \$0.00 | Overtime (1.5x) | | \$0.00 | Overtime (2x) | | \$0.00 | Personal Leave | | \$0.00 | Vehicle Allowance | | \$0.00 | Meal Allowance | | \$0.00 | Social Club | | \$2.00 | Cancer Appeal | | \$2.00 | PAYG Withholding | | \$161.00 | Entitlements | | | Holiday Leave Accrual - O | | 2.923 | Personal Leave Accrual - O | | 1.461 | Employer Expenses | | | Sunsuper | | \$88.23 |
| Wages, Deductions and Taxes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Base Hourly | | \$928.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone Allowance | | \$10.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Holiday Leave Loading | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Holiday Pay | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overtime (1.5x) | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overtime (2x) | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Personal Leave | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicle Allowance | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Meal Allowance | | \$0.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Social Club | | \$2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cancer Appeal | | \$2.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PAYG Withholding | | \$161.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Entitlements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Holiday Leave Accrual - O | | 2.923 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Personal Leave Accrual - O | | 1.461 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sunsuper | | \$88.23 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Entitlements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deductions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Employer Expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Taxes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Standard Pay | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pay History | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Time Billing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


Before processing any pays, the following must be set up by the person responsible for payroll in the organisation:

1. Appropriate wages accounts:
 - bank accounts
 - payroll liability accounts
 - payroll expense accounts.
2. Payroll linked accounts.
3. Appropriate payroll categories
 - wages
 - superannuation
 - entitlements
 - deductions
 - expenses
 - taxes
 - standard pay.
4. Card files for employees:
 - employee personal details
 - employee payroll details including standard pay.



Wages category

1. Click on the zoom arrow  to the left of **Base Hourly**. The following will display:

Wages Name: Type of Wages: Salary
 Hourly
 ATO Reporting Category: 

 Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)


Wages Information


Pay Rate: Regular Rate Multiplied by: 
 Fixed Hourly Rate of: 

Optional Account: Override Employees' Wage Expense Account



This window displays the formula, i.e. number of hours multiplied by the regular rate of the employee. The regular rate is entered in the **Payroll Details** tab of each employee's card.

2. Click on **OK** to return to Wages.
3. Click on the following Wages categories and explore how each is set up:
 - a. Holiday Leave Loading (0.175, i.e.17.5%)

Wages Name: Type of Wages: Salary
 Hourly
 ATO Reporting Category: 


 Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)


Wages Information

Pay Rate: Regular Rate Multiplied by: 
 Fixed Hourly Rate of: 



Optional Account: Override Employees' Wage Expense Account

- b. Overtime (1.5x)

Wages Name: Type of Wages: Salary
 Hourly
 ATO Reporting Category: 

 Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)

Wages Information

Pay Rate: Regular Rate Multiplied by: 
 Fixed Hourly Rate of: 

c. Holiday Pay

Wages Name: Type of Wages: Salary
 Hourly

ATO Reporting Category:

i Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)

Wages Information

Pay Rate: Regular Rate Multiplied by:

Fixed Hourly Rate of:

Optional Account: Override Employees' Wage Expense Account

d. Unused Holiday Pay

Wages Name: Type of Wages: Salary
 Hourly

ATO Reporting Category:

i Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)


Wages Information

Pay Rate: Regular Rate Multiplied by:

Fixed Hourly Rate of:

4. Do not close the window.

Allowances

1. Still in the **Wages** tab, check the categories that have been set up as allowances.
2. Click on the zoom arrow  to the left of **Vehicle Allowance**. The following will display:

Wages Name: Type of Wages: Salary
 Hourly

ATO Reporting Category:


i Select the ATO reporting category if you're using Single Touch Payroll. [Learn how](#)

Wages Information

Pay Rate: Regular Rate Multiplied by:

Fixed Hourly Rate of:

Optional Account: Override Employees' Wage Expense Account

Override Account: 

In this company file the vehicle allowance is not allocated to Wages; it is allocated to a car allowances expense account.

CHAPTER 7

10. Select the **Wages** tab from the left menu.

11. In **Wages** change the hourly rate using the current pay scale (refer to page 82).

Pay Basis: Hourly

Annual Salary: \$

Hourly Rate: \$

Pay Frequency: Weekly

Hours in Weekly Pay Period: 38.00

Wages Expense Account: 6-5300 Wages - Office

This window displays:

- expense account in the Accounts List to be debited when Lorry is paid, i.e. 6-5300 Wages - Office
- employee's pay basis (hourly or salary)
- employee's rate of pay
- pay frequency (weekly, fortnightly, twice a month or monthly)
- number of hours in a weekly pay period
- categories which apply to this employee have been ticked (✓), e.g. Lorry is entitled to:
 - vehicle allowance
 - holiday leave loading
 - holiday pay
 - meal allowance when working overtime
 - overtime 1.5x
 - personal leave
 - phone allowance.

12. Select the **Superannuation** tab from the left menu. The following will display:

Superannuation Fund: Sunsuper

Employee Membership No: 14778

Create Superannuation Choice Form

| | | |
|-------------------------------------|----------------|------------------------------------|
| <input type="checkbox"/> | Superannuation | |
| <input checked="" type="checkbox"/> | Asgard Super | Superannuation Guarantee (expense) |
| <input checked="" type="checkbox"/> | Sunsuper | Superannuation Guarantee (expense) |

This window displays:

- Lorry's superannuation fund (SunSuper)
- Lorry's membership number with SunSuper
- SunSuper selected (✓) as Lorry's superannuation fund.

This window also allows the employer to print the superannuation choice form for employees to advise the superannuation fund of their choice.

Start Date: 1/01/2018
 Termination Date:

| <input type="checkbox"/> | Entitlement | △ | Carry Over | Year-to-Date | Total |
|-------------------------------------|----------------------------|---|------------|--------------|--------|
| <input type="checkbox"/> | Holiday Leave Accrual - M | | 0 | 0 | 0 |
| <input checked="" type="checkbox"/> | Holiday Leave Accrual - O | | 40.000 | 0 | 40.000 |
| <input type="checkbox"/> | Personal Leave Accrual - M | | 0 | 0 | 0 |
| <input checked="" type="checkbox"/> | Personal Leave Accrual - O | | 8.000 | 0 | 8.000 |

13. Select the **Entitlements** tab from the left menu. The following will display:

Start Date: 1/01/2000
 Termination Date:

| <input type="checkbox"/> | Entitlement | △ | Carry Over | Year-to-Date | Total |
|-------------------------------------|----------------------------|---|------------|--------------|--------|
| <input type="checkbox"/> | Holiday Leave Accrual - M | | 0 | 0 | 0 |
| <input checked="" type="checkbox"/> | Holiday Leave Accrual - O | | 40.000 | 0 | 40.000 |
| <input type="checkbox"/> | Personal Leave Accrual - M | | 0 | 0 | 0 |
| <input checked="" type="checkbox"/> | Personal Leave Accrual - O | | 8.000 | 0 | 8.000 |

This window displays Lorry's entitlements from the system:

- carry over holiday leave from previous years in hours
- carry over personal leave from previous years in hours.

14. Select the **Deductions** tab. The following will display:

| <input type="checkbox"/> | Deduction | |
|-------------------------------------|--------------------|----------------|
| <input checked="" type="checkbox"/> | Cancer Appeal | Fixed Dollar |
| <input type="checkbox"/> | One-Time Deduction | User - Entered |
| <input checked="" type="checkbox"/> | Social Club | Fixed Dollar |

This window displays Lorry's requested deductions:

- Social Club
- Cancer Appeal.

15. Select the **Taxes** tab from the left menu. The following will display:

Tax File Number: 222 333 444
 Tax Table: Tax Free Threshold
 Withholding Variation Rate: 0.00 %
 Total Rebates: \$0.00 Per Year
 Extra Tax: \$0.00 Per Pay

| <input checked="" type="checkbox"/> | Tax |
|-------------------------------------|------------------|
| <input checked="" type="checkbox"/> | PAYG Withholding |

This window displays:

- Lorry's tax file number
- Tax Table according to her tax file number declaration.

Exploring the employee card file for Ann Wilson

1. View the card file details for Ann Wilson.

Note the following payroll details:

- hourly rate
 - tax scale.
2. Edit the employment classification to **Clerical Employees - Level 3**.
 3. Change the pay slip delivery method to email.
 4. Check there is a valid email address.
 5. Change the hourly rate to the correct rate for full-time level 3 as per the award for your year.

Pay Basis:

 Annual Salary:

 Hourly Rate:

 Pay Frequency:

 Hours in Weekly Pay Period:

 Wages Expense Account:

6. Check that the deductions are correct using Ann's information on page 82.
7. In the **Standard Pay** tab, add **Ann Wilson pay** in to the memo field.
8. Add phone allowance to Standard Pay

Memo:

| Payroll Category | Hours | Amount |
|------------------------------------|-------|--------------|
| Wages, Deductions and Taxes | | |
| Base Hourly | 38.00 | \$) |
| Cancer Appeal | | <Calculated> |
| Holiday Leave Loading | 0.00 | |
| Holiday Pay | 0.00 | |
| Meal Allowance | 0.00 | |
| Overtime (1.5x) | 0.00 | |
| PAYG Withholding | | <Calculated> |
| Personal Leave | 0.00 | |
| Phone Allowance | 1.00 | \$10.00 |
| Social Club | | <Calculated> |

9. Change the payment method to electronic.
10. Add bank details of your choice and appropriate Bank Statement Text and save.
11. Return to the Command Centre.

BSBHRM416

PROCESS PAYROLL

SUPPLEMENT

Application

This unit describes skills and knowledge required to process payroll from provided data using manual and computerised payroll systems.

The unit applies to individuals employed in a range of work environments who are responsible for payroll functions within an organisation. They may work as individuals providing administrative support within an enterprise or may be other members of staff who have been delegated payroll responsibilities.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Elements and Performance Criteria

| Element <i>Elements describe the essential outcomes.</i> | Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i> | Workbook reference |
|--|---|---|
| 1 Record payroll data | 1.1 Check payroll data and clarify discrepancies with relevant stakeholder | Chapter 5 Process payroll manually Chapter 8 Processing payroll |
| | 1.2 Enter employee pay period details in payroll system according to organisational requirements | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll |
| | 1.3 Calculate individual employee's payment according to employee source data | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| 2 Prepare payroll | 2.1 Prepare payroll according to organisational policy and procedures and designated timelines | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Command Centre Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| | 2.2 Reconcile total wages for pay period, check and correct irregularities or refer to relevant stakeholder for resolution | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |

| Element <i>Elements describe the essential outcomes.</i> | Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i> | Workbook reference |
|--|---|--|
| | 2.3 Make arrangements for payment according to organisational and individual requirements | Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll using AccountRight |
| | 2.4 Obtain authorisation of payroll and individual pay advice according to organisational requirements | Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld |
| | 2.5 Produce, check and store payroll records according to organisational policy and security procedures | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll |
| | 2.6 Follow security procedures for processing payroll and for maintaining payroll records | Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Chapter 8 Processing payroll |
| 3 Handle payroll enquiries | 3.1 Respond to payroll enquiries according to organisational and legislative requirements | Chapter 2 Legislation and professional bodies Chapter 7 Exploring the Payroll Command Centre Chapter 10 Processing pays and handling inquiries |
| | 3.2 Provide payroll information according to organisational and legislative requirements | Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 10 Processing pays and handling inquiries |
| | 3.3 Ensure all enquiries outside area of responsibility and knowledge are referred to designated persons for resolution | Chapter 1 Payroll and its components Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 10 Processing pays and handling inquiries |
| | 3.4 Complete additional information or follow-up action within designated timelines according to organisational policy and procedures | Chapter 1 Payroll and its components Chapter 2 Legislation and professional bodies Chapter 3 New employee Chapter 4 Employer obligations Chapter 5 Process payroll manually Chapter 9 Paying deductions withheld Chapter 10 Processing pays and handling inquiries |

Foundation skills

| Skill | Description | Workbook reference |
|--------------------|--|---|
| Reading | <ul style="list-style-type: none"> Interprets a range of textual information to determine activities required | Throughout workbook |
| Writing | <ul style="list-style-type: none"> Accurately records textual information and maintains personal and banking details using format, language and structure in context | Throughout workbook |
| Oral communication | <ul style="list-style-type: none"> Explains payment clearly using terminology and tone appropriate to audience | Through discussions with trainer and/or fellow learners |
| | <ul style="list-style-type: none"> Uses questioning and listening skills in verbal exchanges to clarify information | Through discussions with trainer and/or fellow learners |
| Numeracy | <ul style="list-style-type: none"> Uses a limited range of mathematical calculations to calculate and reconcile amounts and arrange and compare numerical information | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight |
| Self-management | <ul style="list-style-type: none"> Takes responsibility for own workload and monitors adherence to specified goals and timelines | Throughout workbook |
| Teamwork | <ul style="list-style-type: none"> Selects the appropriate mode of communication for a specific purpose | Through discussions with trainer and/or fellow learners |
| | <ul style="list-style-type: none"> Collaborates with others to achieve predetermined goals | Chapter 10 Processing pays and handling inquiries |
| Problem solving | <ul style="list-style-type: none"> Recognises and takes responsibility for resolving problems relevant to own role | Throughout workbook |
| | <ul style="list-style-type: none"> Takes responsibility for routine low-impact decisions within familiar situations | Throughout workbook |
| Technology | <ul style="list-style-type: none"> Uses digital technologies to access, record, store, organise and compile data as required | Throughout workbook |

Assessment Requirements

Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- process payroll for an organisation or work area on at least three occasions.

| In the course of the above, the candidate must: | Workbook reference |
|---|--|
| <ul style="list-style-type: none"> • respond to routine payroll enquiries • | Chapter 10 Processing pays and handling inquiries |
| <ul style="list-style-type: none"> • refer enquiries outside area of responsibility to an appropriate authority. | Chapter 2 Legislation and professional bodies Chapter 10 Processing pays and handling inquiries |

Knowledge evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

| | Workbook reference |
|--|--|
| <ul style="list-style-type: none"> • key provisions of relevant legislation, standards and codes of practice that may affect payroll operations | Chapter 2 Legislation and professional bodies |
| <ul style="list-style-type: none"> • relevant organisational policies and procedures | Chapter 5 Process payroll manually Chapter 8 Processing payroll using AccountRight Chapter 9 Paying deductions withheld Chapter 10 Processing pays and handling inquiries |
| <ul style="list-style-type: none"> • key features of different types of payroll systems | Chapter 1 Payroll and its components Chapter 5 Process payroll manually Chapter 7 Exploring the Payroll Command Centre |
| <ul style="list-style-type: none"> • processes associated with Single Touch Payroll (STP). | Chapter 2 Legislation and professional bodies |