

OZ Office Supplies

Payroll policy and procedures

Purpose

OZ Office Supplies recognises that employees are the key to the business's success, and nothing can be achieved without their engagement.

Employees must be promptly paid their remuneration and other statutory benefits as outlined in the General Retail Industry Award [MA000004] or, if the Award does not apply, in the National Employment Standards (NES).

This policy has been informed by the Fair Work Act 2009.

Responsibility

The Finance Manager is responsible for administering the payroll policy and procedures. If the Finance Manager is on leave, they may, with the permission and approval of the CEO, delegate payroll management and related duties to suitable personnel.

Payroll Security

OZ Office Supplies policy is that only the Finance Manager and Payroll Officer may access the payroll records.

Employee payroll and related data will only be entered by the Payroll Officer (or, in their absence, personnel authorised by the Finance Manager) into MYOB following receipt of all required information for the relevant appointment, accompanied by evidence of required approvals.

All payroll staff (Finance Manager and Payroll Officer) should maintain security over payroll system passwords and change them at least once a quarter.

Payroll records must be kept as per the Australian Taxation Office (ATO), Australian Securities Investment Commission (ASIC), Fair Work Ombudsman's record-keeping requirements and Australian Privacy Principles.

General obligations

Payroll staff should liaise with HR to maintain accurate employee attendance, pay scales and bank account records.

Payroll staff should ensure that a supervisor approves the time records for hourly-paid employees before these records are passed for payment.

Payroll staff should maintain complete and accurate payroll records for holiday and sick leave

Leave

1. All staff leave requests must be made in writing to the Finance Manager.
2. For annual leave, leave requests must be made at least one (1) month before the period of leave commences.
3. For sick leave, the Finance Manager may, at their discretion, request a medical certificate.
4. For unpaid leave, leave requests may be approved at the discretion of the Finance Manager.
5. If the request for unpaid leave relates to family and domestic violence, the leave will be granted in accordance with the Award.
6. If a staff member requests to the Finance Manager that the staff member be informed of their available leave, the Finance Manager must comply with that request within ten (10) business days. For more information on leave, refer to the Award.

Payroll Procedures

1. The manual payroll system will continue to operate parallel to MYOB for two months to identify and correct any systematic payroll errors before cutting over to MYOB.
2. Each employee will complete a timesheet, which will be summarised by HR and provided to the payroll officer in a timesheet summary report.
3. OZ Office Supplies has a policy of paying wages weekly. Wages will be processed each week on Monday for the previous week. The Payroll Officer must seek approval from the Finance Manager before processing the wages.
4. Therefore, once all data has been input into MYOB, an email must be sent to the Finance Manager to seek approval to process payroll for the relevant week.
5. The Finance Manager will review the MYOB figures before any payment is made to ensure that any errors, duplicate payments, or omissions are corrected.
6. The Finance Manager will then approve payroll to be processed.
7. Using MYOB, the Payroll Officer should then process the payroll, email the pay slips and report single touch payroll (STP). The Fair Work Act requires employers to issue pay slips to their employees within one day of receiving payment in a confidential manner suitable for their employment, even if they are on leave.
8. Employees are to be paid via electronic payments from the 1-1110 NAB Bank Account.
9. Total payroll payments must be reconciled after each payroll is processed to ensure there are no errors or irregularities. Any errors or irregularities must be corrected before the IAS or BAS is submitted to the ATO.
10. Payroll liabilities and deductions (superannuation and union fees) must be reconciled, processed and paid on the 15th of each month for the previous month. If the 15th falls on a weekend, they must be paid on the next working day.
11. Superannuation is paid through the Small Business Superannuation Clearing House who will distribute the superannuation amounts to each staff member nominated super fund.
12. Payroll Liabilities are to be paid as spend money transactions from 1-1110 NAB Bank Account.
13. IAS and BAS are to be paid on the 20th of each month. If the 20th falls on a weekend, they must be paid on the next working day.

Payroll Discrepancies

1. Any apparent discrepancies (for example, discrepancies to do with the hours paid, the amount paid or pay rate) must be checked first with the Administration Manager.

2. Approval for any changes to payroll must be received in writing by the Payroll Officer before any rectifications are made.
3. All payroll adjustments must be documented.
4. When an adjustment is made to an employee's weekly pay, the employee must be contacted and advised of the changes.
5. All payroll discrepancies must be responded to within a week by the Payroll Officer.
6. Any underpaid amounts must be paid as soon as possible as a separate payment.

Terminating employees

All termination payments above \$1,500.00 must be reviewed and evaluated by the Finance Manager. The process for reviewing termination payments is:

1. Gather necessary documentation: The Finance Manager should be provided with all relevant documentation related to the termination payment, including the employee's contract, any relevant company policies, and documentation related to the termination itself, such as a termination letter or severance agreement.
2. Review the termination payment: The Finance Manager should thoroughly review the termination payment to ensure that it complies with all applicable laws and regulations, as well as OZ Office Supplies policies and procedures. This may involve reviewing calculations to ensure that the payment amount is accurate, verifying that the payment is being made for a valid reason, and ensuring that any tax implications have been properly accounted for.
3. Provide recommendations: Based on the Finance Managers evaluation, they should provide recommendations for any necessary changes or corrections to the termination payment. This may involve communicating with the relevant parties, such as the payroll office or legal counsel, to ensure that any necessary adjustments are made prior to the payment being processed.
4. Final approval: Once any necessary changes have been made, the Finance Manager should provide final approval for the termination payment to be processed. This involves signing off on the payment documentation.

Storing Payroll Records

Payroll records must be stored according to OZ Office Supplies security procedures, the Australian Taxation Office (ATO), Australian Securities Investment Commission (ASIC), Fair Work Ombudsman's record-keeping requirements and Australian Privacy Principles.

At the end of each week, a PDF copy of the reports listed below covering the pay period must be saved in a folder named Month_Year_Payroll and then distributed to the Finance Manager.

File Name: - YYYYMMDD_Payroll Summary Report (Use the payment date of the pay run e.g., 20220530_Payroll Summary Report).

- a) Payroll Summary Report
- b) Payroll Register Report
- c) Payroll Activity Report
- d) Profit & Loss Report
- e) Balance Sheet Report
- f) Leave Balance (detail) Report
- g) Accrual by Fund (detail) Report

At the end of each payroll year, a copy of the reports listed below must be saved using the following saving convention and then distributed to the Finance Manager:

File Name: yyyy-yyyy Payroll Summary Reports (e.g., 2021-2022 Payroll Summary Report)

- a) Payroll Summary Report
- b) Payroll Register Report
- c) Payroll Activity Report
- d) Profit & Loss Report
- e) Balance Sheet Report
- f) Leave Balance Report
- g) Accrual by Fund Report
- h) Accrual by fund report

Payroll Security

The Payroll Officer is the administrator of the MYOB File and controls user access to MYOB.

Users should set up a user account with a unique password.

All persons using payroll must password-protect their MYOB company file. Passwords must be changed at least once a quarter.

Related Policies and other documentation

- National Employment Standards.
- Fair Work Act 2009.
- General Retail Industry Award [MA000004]
- Financial Management Policy and Procedures
- Privacy Policy.
- Records Management Policy

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