

OCTAGON MONTHLY PAYROLL PROGRAMME

INTRODUCTION	1
SYSTEM REQUIREMENT	2
NAVIGATION	3
MOUSE:	3
KEYBOARD	3
PROCEDURE FOR USING OCTAGON MONTHLY PAYROLL PROGRAMME	3
NEW EMPLOYEE	3
NOTES TO MONTHLY PAYROLL CHANGES	6
CURRENT MONTH PAYROLL CHANGES	7
UPDATE MONTHLY PAYROLL RECORDS:	9
MONTHLY REPORTS	11
PAY ADVICE	11
NOTES TO PAY ADVICE	13
NET PAY REPORTS	13
LOAN BALANCES REPORT	15
TRANSACTION DETAILS BY MONTH	16
MONTHLY PAYROLL JOURNAL REPORT	18
NOTES ON MONTHLY JOURNAL REPORT	19
BACKUP PROCEDURES	19
SECURITY	19
ANNUAL REPORTS	19
INTERNAL HOUSEKEEPING	19
DELETE CURRENT YEAR DATA	20
LOAN BALANCES	21
DELETE EMPLOYEE	21
BACKUP	22
HARD COPY	22
ANNUAL RETURNS FOR STATUTORY DEDUCTIONS:	22
TECHNICAL SUPPORT:	24
COMMON FIELD CODES AND NAMES	24
WARRANTY/AGREEMENT	25

INTRODUCTION

This help file covers the procedures for Octagon monthly payroll programme. This programme was designed for the Jamaican market and all calculations and rates are based on those prevailing at September 2004.

SYSTEM REQUIREMENT

Octagon Payroll Programme is built on the Microsoft Access® platform and should be run in the environment that would be suitable for Microsoft Access 2002. The recommendations are quoted below:

The recommended system configuration to use Microsoft Access® version 2002 is Microsoft Windows® XP Professional on a personal computer with a Pentium III processor and 128 megabytes (MB) of RAM. Below are the minimum requirements your computer needs to run Access 2002. Some Access features have additional requirements.

Minimum Requirements	
Computer/Processor	Computer with Pentium 133 megahertz (MHz) or higher processor; Pentium III recommended
Memory	RAM requirements for Access 2002 depend on the operating system used: <ul style="list-style-type: none"> ▪ Windows 98, or Windows 98 Second Edition 24 MB of RAM plus an additional 8 MB of RAM for Access ▪ Windows Me, or Microsoft Windows NT® 32 MB of RAM plus an additional 8 MB of RAM for Access ▪ Windows 2000 Professional 64 MB of RAM plus an additional 8 MB of RAM for Access ▪ Windows XP Professional, or Windows XP Home Edition 128 MB of RAM plus an additional 8 MB of RAM for Access
Hard Disk	Hard disk space requirements will vary depending on configuration; custom installation choices may require more or less. Listed below is the minimum hard disk requirement for Access: <ul style="list-style-type: none"> ▪ 170 MB of available hard disk space <p>An additional 115 MB is required on the hard disk where the operating system is installed. Users without Windows XP, Windows 2000, Windows Me, or Office 2000 Service Release 1 (SR-1) require an extra 50 MB of hard disk space for System Files Update.</p>
Operating System	Windows 98, Windows 98 Second Edition, Windows Millennium Edition (Windows Me), Windows NT 4.0 with Service Pack 6 (SP6) or later,* Windows 2000, or Windows XP or later.
Drive	CD-ROM drive
Display	Super VGA (800 × 600) or higher-resolution monitor with 256 colors
Peripherals	Microsoft Mouse, Microsoft IntelliMouse®, or compatible pointing device

You will need to have your own legal license for Microsoft Access 2000 or later to use this program.

NAVIGATION

MOUSE:

You navigate around the programme by pointing and clicking on the relevant menu item. You can know which menu you are in by simply looking at the 'Title Bar'.

KEYBOARD

If you loose your mouse, don't panic. You can also navigate through the programme by using the 'arrow keys' on the keyboard to point to the menu and using the 'Enter Key' to select the menu item.

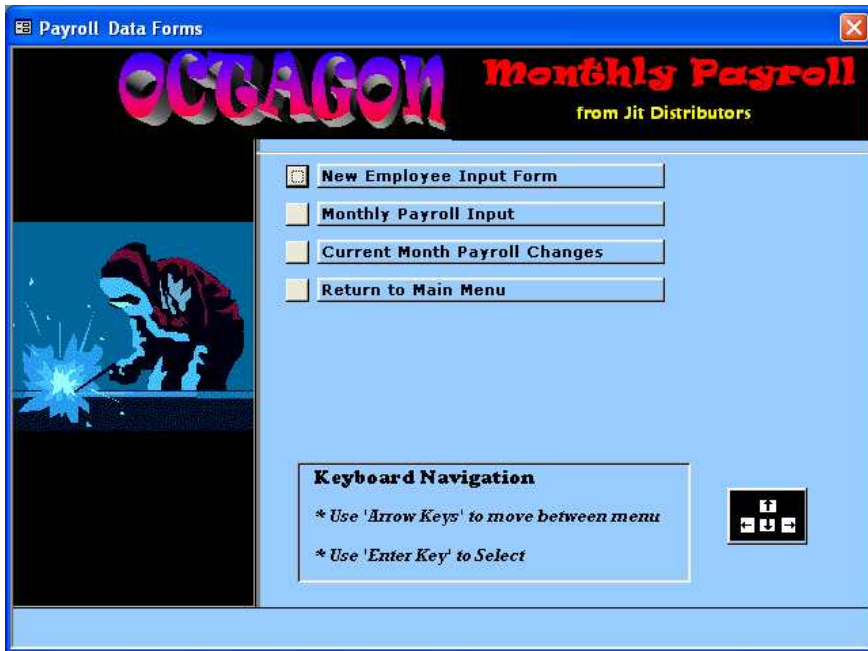
PROCEDURE FOR USING OCTAGON MONTHLY PAYROLL PROGRAMME

NEW EMPLOYEE

- Select 'Add New Employee/Changes' from the Main menu



- Select 'New employee Input Form' from the sub-menu.



Enter data for the new employee in the 'New Employee Input Form' shown above. This form is used for enter standing data that is of a more permanent nature. Ensure that the persons TRN and NIS numbers are available as this information is required for the Annual Reports use to file your statutory returns.

Please note that your security procedures may require you to restrict access to this form to only 'senior staff' members who will be responsible for adding new employees to the payroll while allowing the payroll clerk to add the regular payroll data via the other form (Monthly Payroll Input Form).

If changes are being made to the standing data such as updating the address, telephone numbers etc. of staff members, you can use the navigation fields at the bottom of the form to move through the employee file.

USING COMMAND BUTTONS

Alternatively you can use the two command buttons on the form to move through the master file. The 'Add Employee' button can be used to take you to the next blank screen so that you can enter data and the 'Find Employee' button can be used to search the master file. You can use this search tool to search any field by simply clicking in the field that you want to search then clicking the command button. This will bring up the search screen where you can enter the criteria for the search. The search criteria can be any field name. Once you click 'Find next' you will be taken to the record meeting the criteria.

An example of the search is shown below:

- When completed, close the 'New Employee Input Form' by clicking on the red X.
- Select the 'Monthly Payroll Input Form' to begin the process of entering the data for the current employees. You can move around the payroll master file by using the navigation keys at the bottom of the Monthly Payroll Input form.
- Return to the Main Menu finished.

Providing world class service in a global economy

A sample of this payroll input form is shown below.

Monthly Payroll Input : Form

OCTAGON PAYROLL INPUT FORM Find Employee

MONTHLY PAYROLL DATA / CHANGES

Employee Name

First Name: Kingsley
 Middle Name:
 Last Name: Haase

Employee ID:
 Basic Sal: \$30,000.00
 Time/Off: \$0.00
 Doubletime: \$0.00
 Sickdays: \$2,000.00
 Vacation: \$300.00

Loanrepay: \$500.00
 TaxFreePay: 10036.00
 MedIns: \$0.00
 Misc1: \$2,000.00
 Misc2: \$0.00
 Misc3: \$0.00
 Employer Pension: 600.00
 Month#:
 Month#

Aug 2004 Aug 2004

Mon	Tue	Wed	Thu	Fri	Sat	Sun
26	27	28	29	30	31	1
2	3	4	5	6	7	8

Record: 1 of 6

NOTES TO MONTHLY PAYROLL CHANGES

- Do not attempt to enter the ‘**EmployeeID**’ as the system will generate this number automatically.
- There are three **miscellaneous deduction fields** that can be used for non standard deductions. This means that if an employee exceeds his/her ‘sick days’ or his/her ‘paid vacation days’ and you intend to penalise the employee by deducting the amount from salary, you should reduce the employee’s basic salary for the month. You cannot use the miscellaneous fields for this adjustment as they are after tax deduction fields. The other deduction fields relate specifically to Pension, Loan repayments, Tax free Pay and Medical Insurance and should not be used for any other purpose.
- If there are more deductions than can be accommodated by the seven fields noted above, deductions should be combined and subsidiary details kept to facilitate employee enquiries.

- There is only one '**Loan**' field that must be used for recording both loans and repayments. New loans should be entered as a negative amount and 'loan repayments' should be entered as positive amounts. If a new loan is given at a time when the employee is repaying a current loan, the loan and repayment figure should be netted for the month the new loan was granted. This (net) figure should be replaced the following month by the 'loan repayment figure' which should continue until the loan is repaid.
- Current income tax laws permits the payment of 'Rent Benefit'. The provisions require that certain conditions be met such as, there is a rent contract between the employee and his/her landlord, the rent must be paid to the landlord and the landlord must be an un-connected third party among other things. If these conditions are met, the employer must add a certain percentage (currently 15%) of the employee's basic salary back to salary and treat it as perquisite so that the employee pays an increased amount of income tax as a result of this benefit. This percentage should be calculated and entered via the 'Rentben' field. You must remember to deduct the same rent benefit figure in one of the 'Misc' field in order to prevent an overpayment to the employee.
- There are two pension fields on the Monthly Payroll Input Form namely 'Pension' and 'Empen' representing the employee and the employer's contribution respectively. The employee's portion is taken into account for income tax purposes and the employer's contribution is included as it is required for the monthly payroll journal. Both amounts must be calculated and entered by the payroll clerk.

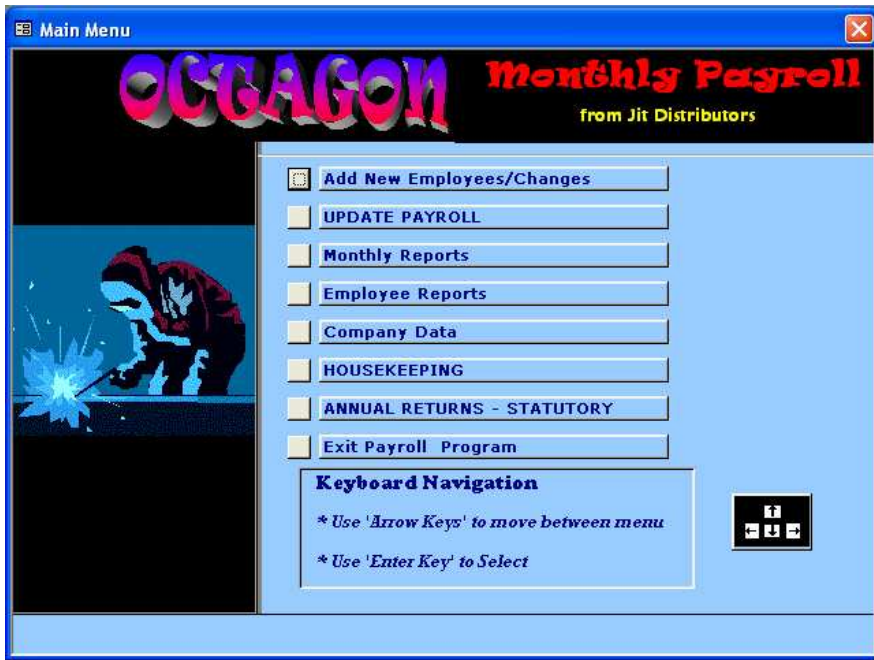
CURRENT MONTH PAYROLL CHANGES

After entering the payroll changes, print the 'Current Month Payroll Changes' report and verify the changes. This report shows the changes as well as the other data that will be used in the calculation of the employee's salary. Ideally, this procedure should be performed by someone other than the person who entered the changes. The report should be 'signed-off' after being checked.

Please note that this verification process and any changes resulting from it must be done before the payroll update is done as the process cannot be reversed.

The procedure for printing this report is as follows:

- From the Main Menu, select the option 'Add New Employee/Changes'



- On the sub-menu, click 'Current Month Payroll Changes'.



- Enter the month number when requested and view/print the report as required.



UPDATE MONTHLY PAYROLL RECORDS:

After entering the data for the new employees and the changes for the current employees the next step is to update the monthly payroll records.

- From the Main Menu, select the option 'Update Payroll '
- On the sub-menu, click 'Update Payroll Now'. Enter the month number when requested and return to the Main Menu when finished.

This process is illustrated below:





The next step in the process of preparing the monthly payroll run is to print the 'Pay advice' and the 'Net Pay Report'. These reports are used as the basis for preparing the salary cheques for the 'Net Pay' or alternatively to facilitate transfers to the employee's bank account.

MONTHLY REPORTS

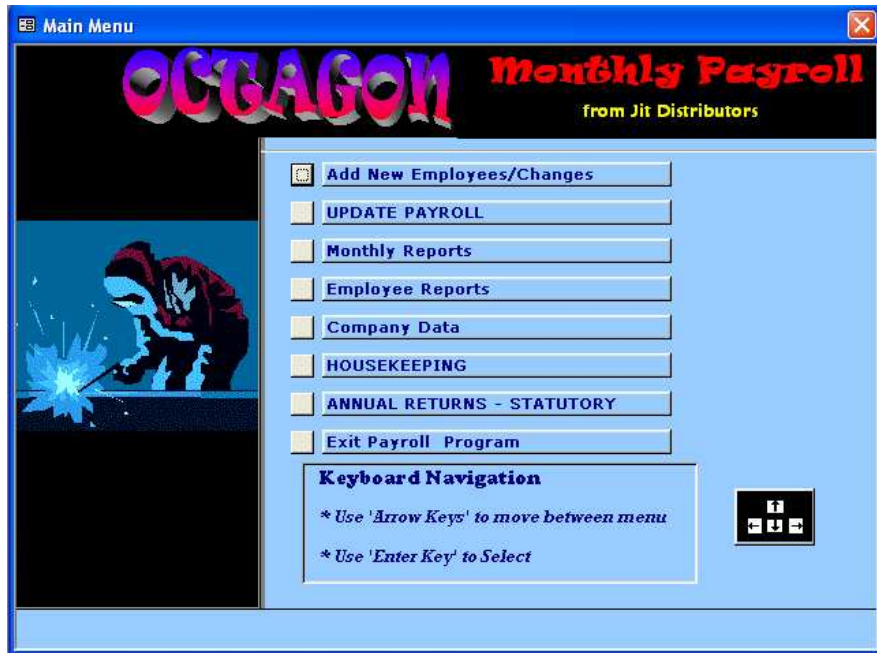
The monthly reports have been designed to substantiate the calculation and the disbursement of pay. Each employee is entitled to a copy of the pay calculation and this should be treated as confidential. A copy should also be kept on file in the payroll department for future reference.

A number of reports have also been designed for the accounts department to be used to book the payroll entries. These include the Monthly Payroll Journal, the Loan Balances Report, the Net Pay Report, the Details of Salaries Lodged and the Salaries Paid by Cheque/Cash Report. When taken together, the total on the latter 2 reports should be equal to the total on the Net Pay Report.

The procedures for printing the hard copies of the monthly reports are discussed below:

PAY ADVICE

- Select 'Monthly Reports' from the Main Menu.



- Select 'Pay Advice' from the sub-menu.



- Enter the month# and the 'month ending' information for the payroll when requested and click 'ok' when done.



- Print the 'Pay Advice' as necessary.

NOTES TO PAY ADVICE

- Pay Advice for previous months should not be re-printed as the Year-to-date information will be incorrect. Always keep a 'hard copy' so that if employee's needs a certified copy it can be photocopied from it and stamped with the company's official stamp to prevent fraud.
- Re-prints (if unavoidable) can be done from the monthly backup; however, System Administrators should avoid using this option unless it is absolutely necessary.

NET PAY REPORTS

There are three Net Pay reports, namely

1. Details of salaries Lodged
2. Salaries Paid by Cheque/Cash and the
3. Net Pay Report.

Many employers require bank details so that salaries paid are lodged to the employee's bank account. Others are more flexible and allow some staff members to continue receiving pay by cheque/cash. The Octagon payroll can be used to separate the payments provided that the data is updated in the employee master file. Please note that the totals on the Details of Salaries Lodged and the Salaries Paid by cheque/Cash reports when taken together should be equal to the total on the Net Pay Reports.

All three reports should be run on a monthly basis and checked for accuracy. The procedure is as follows:

- Select 'Monthly Reports' from the main menu.



- Select 'Net Pay Report'.



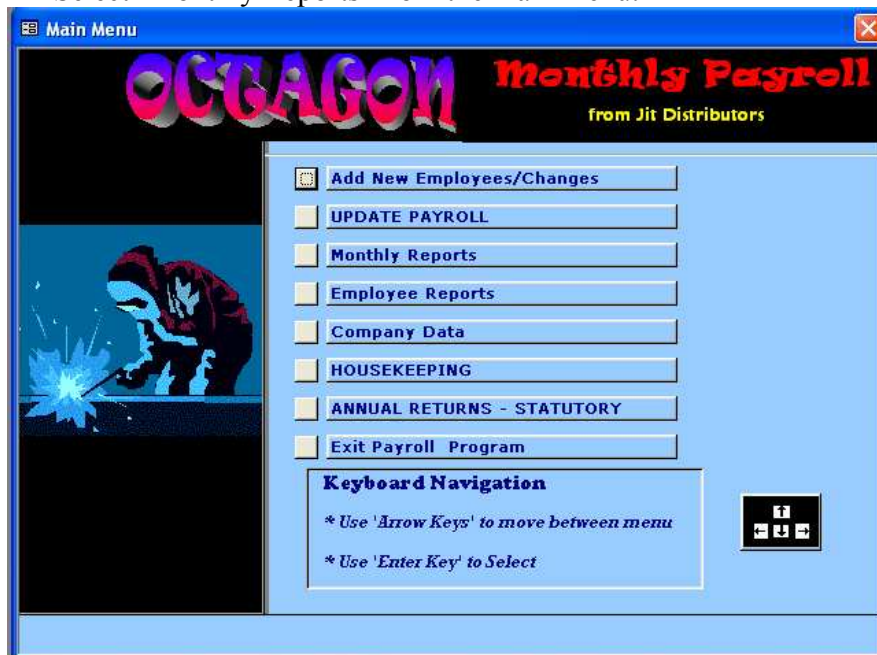
- Enter the 'Month#' and the 'Month Ending' information when requested and click 'ok' when done.
- Print Report as required.

This same procedure can be used to print the other two net pay reports.

LOAN BALANCES REPORT

The responsibility of maintaining a correct loan balance is that of the accounts department. The payroll mainly facilitates the process by processing the deductions from the salary of the employee's as instructed by the accounts department. Staff members usually have the option to make payments outside the payroll on their loans. Additionally, there are usually other advances/loans that may not be processed through the payroll. In view of this it is imperative that the details of the deductions are passed to the accounts department for processing. The best way of doing is by printing and distributing the Loan Balances Report. Please note that provided that there are no other loans/advances or payments made directly in to the loan accounts in the accounts department, the totals of both loan balances should agree. The procedure for printing the Loan Balance is as follows.

- Select 'Monthly Reports' from the main menu.



- Select 'Loan balances'.



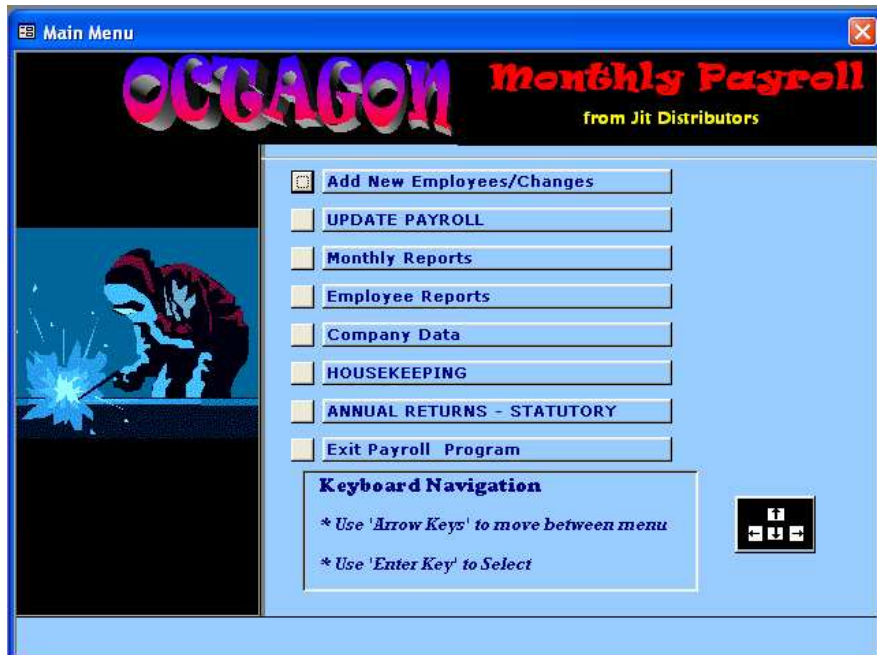
- Enter the 'Beginning Month#' and the 'Ending Month#' information when requested and click 'ok' when done.
- Print Report as required.

TRANSACTION DETAILS BY MONTH

This is an audit trail report. It has been listed under 'Monthly Reports' but it is optional when you print it. This report can be run for a single month or multiple months as desired. It shows all transactions in the payroll master file.

The procedure to print this report is as follows:

- Select 'Monthly Reports' from the main menu.



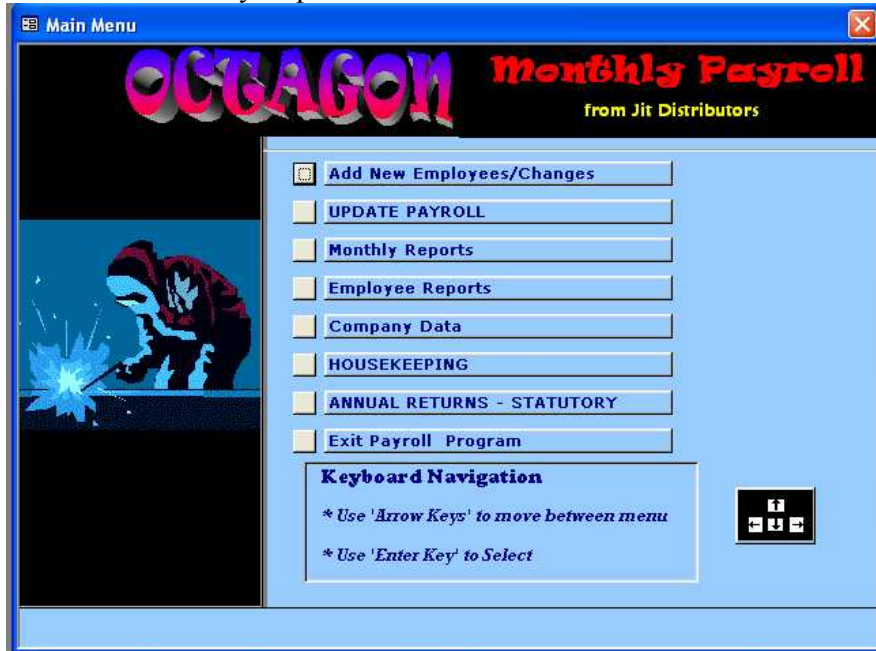
- Select 'Transaction Details by Month'.



- Enter the 'Beginning Month#' and the 'Month Ending' information when requested and click 'ok' when done.
- Print Report as required.

MONTHLY PAYROLL JOURNAL REPORT

- Select 'Monthly Reports' from the main menu.



- Select 'Monthly Payroll Journal Report'.



- Enter the month# when requested and click ok.

- Print Report and pass to the Accounts Department for processing.

NOTES ON MONTHLY JOURNAL REPORT

This report must be passed to the accounts department on a monthly basis to be used to book the payroll entries. The statutory deductions will be paid based on the entries of this report.

BACKUP PROCEDURES

After performing the monthly update of the payroll a backup must be done on removable media. No special backup procedure was built into Octagon payroll programme as the normal windows backup is adequate.

SECURITY

The payroll files can be password protected. We advise that passwords be setup to prevent unauthorised access to your payroll master.

ANNUAL REPORTS

There are two sets of annual reports namely those for the annual statutory returns and those for internal housekeeping and filing.

INTERNAL HOUSEKEEPING

These procedures will be used at the end of each year to “clean up” the payroll master files so that the program can be used for the new payroll year.

It is imperative that a backup of the payroll be done before performing any internal housekeeping activities.

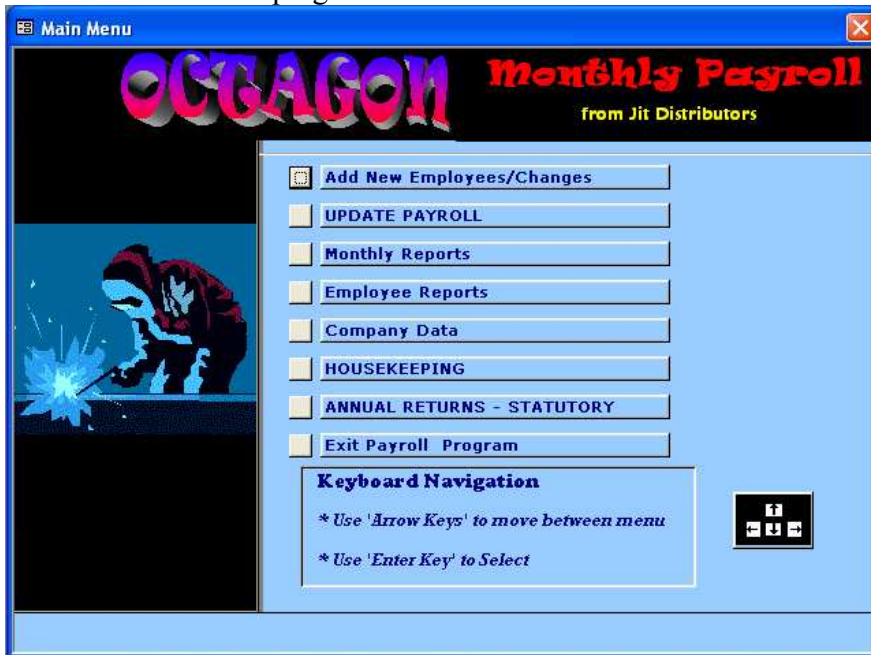
The housekeeping activities will include:

1. Deleting current year data from the master file. Please make sure that all annual returns forms have been printed before performing this procedure as once done the process cannot be reversed.
2. Remove ex-employees from the “payroll master” and the “standing data” file. This is the only time that this procedure should be done as the data for employees that have left during the year is needed for the annual returns.
3. Transfer the loans balances outstanding at the end of the year to the standing data file.
4. Select “Company Data” from the Main Menu and change the year to the current year.

This process is illustrated below:

DELETE CURRENT YEAR DATA

- Select “Housekeeping” from the Main Menu.



- Select “Delete Data and Start New Year”.



- Enter the “Beginning Month#?” and the “Ending Month#?” when requested.



- Select “Return to Main Menu” when completed.

LOAN BALANCES

1. **Print a ‘Loan balances’ report and perform the following procedure:**
 - Reconcile details with the loan balances from the accounting package.
 - Using the ‘Monthly Input form’ load the closing balances on the staff loans into the payroll file for the New Year.
 - Print a ‘Loan balance’ report and compare with the hard copy to ensure that the correct balances have been loaded. These balances should be netted off against the monthly loan repayments.
 - Using one of the ‘miscellaneous deduction’ fields enter the beginning loan balance so that the employee is not overpaid by the loan amount.

DELETE EMPLOYEE

This should only be done once per year and only after:

- A backup has been done of the December payroll files.
- All statutory reports have been printed and reconciled.
- Loan Balance reports have been printed and reconciled.
- Current year data have been deleted using the option ‘Delete data and start New Year’ under Annual Reports on the Main Menu.

The following procedure should be used to delete employees from the Employee Master File and the Payroll Data Master File.

DELETE EMPLOYEE FROM EMPLOYEE MASTER

Select “Housekeeping” from the Main menu

Click ‘Delete Employee’ and enter the employee # when requested and press the Enter Key

DELETE EMPLOYEE MONTHLY DATA

Select “Housekeeping” from the Main menu
Click ‘Delete Monthly Data’ and enter the employee # when requested and press the Enter Key

BACKUP

Backup the payrolls files and store the backup offsite. This must be done on a monthly basis or before any “Housekeeping” exercise.

HARD COPY

File a Hard Copy of the Pay Advice for future reference.

ANNUAL RETURNS FOR STATUTORY DEDUCTIONS:

You should maintain backup copies of your data at all times. If you delete the wrong records, you can retrieve them from your backup copies.

Run annual reports as follows:

- Select ‘Annual Returns – statutory’ from the main menu.
- Click and display the desired report.
- Send report to printer.

There are seven (7) annual reports to be printed from these payroll files. These are listed below:

- FMW001 – P24
- FMW002 – Employer’s Annual Return – Education Tax (ET03)
- FMW003 – Education Tax Deduction Card (ET3)
- FMW004 – Employer’s Annual Return – Declaration & Certificate (NIS)
- FMW005 – NIS Deduction Card
- FMW006 – Employer’s Annual Return – PAYE (Sch.#5)
- FMW007 – Monthly/Weekly Tax Deduction Card (P11)

You can refer to the following table for additional information about the process and filing of the annual returns. All returns are filed with the Collector of Taxes with the exception of the NIS annual returns (includes NHT) that must be filed at the NIS office.

ANNUAL RETURNS FOR STATUTORY DEDUCTIONS		
REPORT#	REPORT NAME	ACTION
FMW001	P24	Given to each employee at year end to support the filing of personal income tax (Form IT05)

FMW002	Employers Annual Returns – Education Tax –This report provides the details required for annual return form ET03.	File along with the Education Tax Remittance Card (ET4), Annual return form ET03. Submit 2 copies to the Collector of Taxes, usually by January 14 th of the following year.
FMW003	Education Tax Deduction Card – This report provides the details required on Education Tax deduction Card #ET3.	
FMW004	Employer’s Annual Returns Declaration & Certificate. This report provides the details require on form C4.	File along with annual return form C4, the National Insurance Deduction Card and the NIS Remittance Card. Submit 4 Copies to the NIS Office.
FMW005	NIS Deduction Card – This form provides the details required on the NIS Deduction Card.	
FMW006	Employer’s Annual Return of PAYE – This report provides the details required by Schedule #5.	File along with annual return form IT06 and schedule 5 & 6, Income Tax Remittance Card (P30), monthly tax deduction Card (P11).
FMW007	Monthly Tax Deduction Card – this report provides the details required on the Monthly Tax Deduction Card (P11)	

NIS RETURNS:

Please note that submitting returns on ‘non-standard’ forms to the NIS Office can only be done after receiving prior approval from the NIS office. Also, the returns must cover all of the income tax year.

OTHER RETURNS TO THE COLLECTOR OF TAXES:

In a similar way you may arrange with the Inland Revenue Department to ‘supply a machine list of the tax deductions’ for the PAYE returns for e.g. they realise that the employer ‘may find it unduly onerous to list all names’ on the income tax forms provided to file the returns.

You should note that although you can pay and file you return at the same time, you should not delay the filing of the returns if the funds are not available to facilitate payment by the due date.

H.E.A.R.T.

At the end of the year, the amount paid by the accounts department should be reconciled with the amount calculated by the payroll and any differences made good.

Users of any one of our payroll products will have no problems filing their returns as every report can be produced with just two mouse ‘clicks’ from the Main Menu. Users have more than ample time to print and file these returns by January 14 of the following year.

TECHNICAL SUPPORT:

There are two technical support plans. TSUP1 - Plan1 and TSUP2 – Plan2.

Plan1

This plan offers free service for the first 6 months and is automatic on the purchase of any of the three payroll packages. This plan runs for 6 months from the date of the invoice and includes support by phone or visit by a technical support officer. The service cost is free but the customer must reimburse all telephone charges or travelling incurred in solving the problem/s.

Plan2

This plan includes an annual fee (paid in advance) of J\$ 1500.00. Customers will be required to reimburse technical support for travelling expenses and telephone charges incurred while fixing the problems.

Finally, customers can also get help via email by visiting our website and clicking on the link help@jitdistributors.com. The link appears on the page “contact us” at the website www.jitdistributors.com. The response time for this type of inquiry is within 24 hours.

COMMON FIELD CODES AND NAMES

Below is a list of common field codes and names appearing on some of input forms. This is not a complete list as some field codes and names are self-explanatory.

FIELD CODE	NAME	NOTES
BANKCODE	BANK CODE	This is the “sort code” or “transit code” used by the bank to determine the branch where the account is kept.
BANKACCTNO	BANK ACCOUNT NUMBER	This is the account number at the branch where the employee salary is to be lodged.
ACCTHOLDER	ACCOUNT HOLDER	This is the name of the person that owns the account. It can be the staff members account or any other account chosen by him/her.
RENTBEN	RENT BENEFIT	This is the amount treated as perquisite and subject to Income tax in lieu of the

		staff member presenting a rental contract to the employer. This contract must be based on the terms of the rental agreement agreed by the Income Tax Department.
EMPEN	EMPLOYER'S PENSION CONTRIBUTION.	This represents the employer's contribution in situation were there is a contributory pension scheme and the employer is required to contribute to the fund.
MEDINS	MEDICAL INSURANCE	This field is only relevant where there is a medical insurance scheme and the employee is required to contribute towards a part of the premium.

WARRANTY/AGREEMENT

The programme is sold under warranty and covers all adjustments, updates for a period of 1 year after the date of your Invoice/Receipt.

By installing the program, you are indicating your agreement to the terms of the warranty and your acceptance of the rights and responsibilities that comes with the purchase of a copy of the program. They are as follows:

- You can make a copy of the program for backup purposes only.
- The product must only be used by the person/company appearing as 'user' on the Invoice/Receipt. If the 'user' is a group of companies, then separate purchases must be made for each company/entity within the group. In other words, each purchase covers only one installation.
- .Apart form a backup copy that can be used to reinstall the program, you may not make copies of the software (including the user manual accompanying it). You are not allowed to rent, lease, loan, give or transfer the CD or backup files to another user. Legal action will follow any breach of this agreement.
- You agree to protect our intellectual property rights by keeping the software under 'lock & key' both on the computer on which the product is installed and where the backup and the original CD's are stored.

The warranty does not cover:

- Losses/liabilities resulting from attempts by the customer to re-engineer the product.
- Rate changes (NIS, NHT, PAYE, EDTAX and HEART) resulting from government decisions after the expiration of the warranty period. These programme adjustments can be done for a small fee. Customers should note that

apart from the rates for the National Insurance contributions that were changed in 2003, the rates have remained unchanged for decades.

ABOUT THE PRODUCT

If you follow the procedures in the user manual, this product will enable you to calculate pay correctly, view/print 'Pay Advice' and related reports and print/file annual statutory returns when required.

For additional information, please contact JIT Distributors via our website at www.jitdistributors.com.