

Implementation and development of a proposed payroll system for epsco assignment

[Sociology](#)



CHAPTER I The problem and its Background The term payroll encompasses every employee of a company who receives a regular wage or other compensation. Some employees may be paid a steady salary while others are paid for hours worked or the number of items produced. All of these different payment methods are calculated by a payroll specialist and the appropriate paychecks are issued. Companies often use objective measuring tools such as timecards or timesheets completed by supervisors to determine the total amount of payroll due each pay period.

In a company, payroll is the sum of all financial records of salaries, wages, bonuses and deductions. The current Federal payroll service environment evolved over many years of incremental changes that have been implemented in different ways across the Government. The influence of Agency-unique interpretation of legislation, regulation, and HR policies have all contributed to a complex set of requirements that, when taken together, create an obstacle to the modernization of payroll systems and processes.

Twenty-two Government providers currently deliver Federal civilian payroll services using 14 separate systems. The four largest – Department of Agriculture, Department of Defense, Department of Interior, and General Services Administration – service over 80 percent of the total civilian payroll, accommodating over 190 different pay plans. Because of age and capacity limitations of payroll processing environments, many service providers have either considered or completed capital investments in payroll systems infrastructure.

Over the years, Federal agencies have attained cost savings through consolidation of their payroll operations with Federal payroll providers by Achieving cost avoidance in both capital investment and daily business operations EPSCO started out in 1995 from very humble beginnings driven by passion, dedication and hard work by all the staff that joined us having a strong belief in quality and value for money. The company was focused on two areas Water and Air that were permanently linked to Quality, Environment, health and Safety.

Over the years the company has grown into an International group in twelve countries on three continents specializing in services with Quality, Environment and safety issues are at the forefront of the business. EPSCO established a multinational family style of business where everyone gives their best and more and not just working as “ Employees”, the customer always comes first along with the magic smiles that can only come from the staff having the culture of family spirit.

EPSCO pioneered the IEQ and Restoration business in the Middle East and achieved ISO 9001, ISO 14001 and OSHAS 18001 in 1998. This enabled the group to develop other markets whilst enhancing our quality and true value for the services we offer. We are members of many International associations in the United States and England since 1997 and underwent all the training available and we became the regional Trainers for Asbestos, Indoor Air Quality, Safety, chemical handling and Disaster, Fire & Flood Restoration in the Middle East.

We spend a lot of time educating decision makers and policy makers on the need for International standards for Indoor Air Quality, safe removal of Asbestos, and controllable diseases like Asthma. Kelvin Bruce the founder of EPSCO became the Regional Coordinator for National Air Duct Cleaners Association (NADCA) to promote internationally accepted standards For HVAC System cleaning and to create awareness and education. EPSCO Group is an active member of the Restoration Industry Association (RIA) and several more.

The Institute of Inspection, Cleaning and Restoration (IICRC) produce Industry Standards for Fire and Flood restoration that are used worldwide and these standards are the backbone and Guidelines of our business. EPSCO has made considerable progress since 1995, but our challenges ahead, lay in protecting our environment from the world's insatiable demand for energy and natural resources. The consequential and inevitable massive increase in global air pollution, not to mention the mountains of waste being produced, will provide us with plenty of other challenges too.

By joining hands with like-minded environmental groups, such as the Greens Building Council, we can perhaps, help to provide a better world for our children to live in. Currently, EPSCO is using a Microsoft Excel 2003 payroll system. Using the current payroll system, ESPCO Not enough details are reflected in the pay slip so employees keep asking questions, Excessive overtime and excessive payroll staff, Repetitive trivial activities like timekeeping, Journal entry Preparation, and distributing pay slips, Endless complaints and adjustments, Payroll

Software revisions or report revisions are slow, Last payroll computation of resigned employees and their 13th month pay is not computed automatically, No report that accounts for changes/variances in the current payroll versus the past period's payroll to make it easy for the company to verify and check the payroll register, No automated facility to handle varying pay rules, multi-company, payroll in foreign currency and payroll for fixed tax non-employees like consultants.

Moreover, they experience the following: Late Pay- Pay slip not on time, Error in pay- Gross pay and/or deductions is incorrect, Error in Time reported- Hours worked is wrong, Dispute- Ongoing disagreements in assignment, rate of pay, or hours assignment, Lost of Incomplete Paperwork- A document is missing or misrouted. After a payroll accountant multiplies an employee's hours by his or her pay rate, the gross income amount is entered into a calculator or computer program. Regular deductions such as tax withholdings,(social security), medical insurance, union dues, charitable contributions and so on are then categorized and subtracted.

The remaining balance is then converted to a check and becomes the employee's net pay for that time period. Payroll departments also identify the employer and employees by a code and keep a running tally on total income and deductions for the year. For small business owners, keeping enough cash in a payroll account is often one of their highest priorities. Even if the business itself hasn't become profitable, employees must still be compensated for their services. This is why many smaller companies prefer

to keep their payroll obligations as low as possible until they've reached a certain level of profitability.

It's not unusual for small business owners to forego their own salaries in order to meet their payroll obligations. Setting up an effective payroll system is not especially difficult for trained accountants, but it can be very time consuming. Some smaller businesses rely on user-friendly computer software to set up a simple payroll system complete with check printers and file storage. Larger companies may assign trained accountants to handle payroll issues as part of their overall duties.

But many businesses without the means to maintain their own payroll systems choose to farm out this task to outside specialists. Since payroll records are based on objective criteria such as timecards and federal tax forms, outside accountants can perform all of the calculations, store all of the year-to-date data and issue paychecks in a timely fashion. Employers simply need to update these payroll companies with changes in employee pay rates or deductions.

STATEMENT OF THE PROBLEMS 5 problems

HYPOTHESIS There is There is no THEORITICAL FRAMEWORK Theories.....
PAYROLL PAST EVENTS

CONCEPTUAL FRAMEWORK There are several key components that are part of basic payroll reports. The wages and salaries of employees working with the company during the cited period form the basis for the report. Along with carrying gross figures for salary and wages, payroll reports also identify the net amount of pay extended to the employee. Along with salary or wages, payroll reports also break down any and all types of withholding activity.

<https://assignbuster.com/implementation-and-development-of-a-proposed-payroll-system-for-epsco-assignment/>

Withholdings will include detail on the amount of taxes retained by the employer for forwarding to local and national tax agencies.

In the event that there is some type of national financial security program, such as the Social Security program of the United States, employers also withhold a calculated amount and forward the funds to the appropriate agency. Payroll reports also reflect other types of withholding as well. Examples of these other forms of withholding would include voluntary contributions to retirement programs, payroll deductions associated with garnishments, or premiums withheld to pay for all or a portion of healthcare insurance provided through the employer.

The total amount of withholdings and the net income issued to the employee will equal the gross income listed for the period cited. While a great deal of the detail on payroll reports focuses on how wages and salaries are distributed, a typical report will also include information on taxes paid by the employer. In many countries, employers are responsible for paying taxes in addition to those withheld from an employee's pay. Comprehensive payroll reports include information about both the cumulative total of employer taxes paid during the period as well as a breakdown of the tax burden to a specific amount per employee.

There is more than one standard payroll deduction. Employers remove federal income taxes, state taxes, and Federal Insurance Contribution Act or social security payments. In some states employers must also take out city, county or local taxes and payments for state unemployment and disability insurance. Amounts of each payroll deduction are usually based on the

<https://assignbuster.com/implementation-and-development-of-a-proposed-payroll-system-for-epsco-assignment/>

amount of money you make and may also be influenced by the number of exemptions you claim on your PAYSLLIP form. In other countries, taxes and possibly payments to things like national health insurance make up the majority of standard or required payroll deductions.

Some countries allow many full time workers to sign on as independent or non-contract workers. In this case, they are paid slightly more but must meet their tax obligations at the end of the year. Independent contractors in the US also don't have any type of payroll deduction but must arrange to pay all required taxes at the end of each tax year. Sometimes a payroll deduction is mandatory but only applies to the individual or to workers at a specific company or belonging to unions. Some mandatory contributions could include payment for parking fees, especially at universities.

Another common pay deduction is when a person is forced by the court to have pay removed to cover things like child support or to pay back taxes. People belonging to unions can expect union dues to be deducted from pay. A voluntary payroll deduction is often taken to help employees participate in programs that may provide them some benefit. Common deductions include payments to health insurance, payments to carry life insurance, contributions to 401ks and/or health savings accounts, and payments to disability plans.

Some of these deductions will directly benefit employees at a future date. Making payments to retirement savings accounts or putting money in health savings or flexible spending accounts means the employee can eventually access that money. Though the pay is deducted, it isn't gone but is simply.

<https://assignbuster.com/implementation-and-development-of-a-proposed-payroll-system-for-epsco-assignment/>

SIGNIFICANCE OF THE STUDY By law, employers are required to pay employees for their services rendered; through the payroll system, the processing of this payment is possible. There are several other reasons why a payroll system is necessary for employers and employees.

This payroll system is helpful for researchers to have ideas for the system they are trying to develop. Agencies, companies, SINO-SINO ANG MAKIKINABANG? AGENCIES, authorities... **RESEARCHERS SCOPE AND DELIMINATION TIME FRAME** ANU ANU YUNG KAYANG GAWIN NG SYSTEM ANUNANU ANG PRINT OUTS (REPORTS) ANU-ANU ANG HINDI KAYANG GAWIN **DEFINITION OF TERMS** These are terms that have special meanings in this study. It is defined operationally and theoretically. Payroll – Theoretically, is the sum of all financial records of salaries, wages, bonuses and deductions. (<http://en.wikipedia.org/wiki/Payroll>) Pay slip – Theoretically, A pay stub, paystub, pay slip, pay advice, or sometimes paycheck stub, is a document an employee receives either as a notice that the direct deposit transaction has gone through, or as part of their paycheck. It will typically detail the gross income and all taxes and any other deductions such as retirement plan contributions, insurances, garnishments, or charitable contributions taken out of the gross amount to arrive at the final net amount of the pay, also including the year to date totals in some circumstances. (<http://en.wikipedia.org/wiki/Payroll>)