

# Payroll and petty cash

Business



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Section I: Payroll basic theory and procedure An organization's payment to their employees for their working activity is called payroll.

This payroll activity has to be performed according to the statutory obligation as well as according to the company policies. Payroll maintenance is normally duty of the payroll officer/manager. Checking statutory obligations on payroll It is duty of payroll manager/officer to check the statutory obligations on payroll. Prepare and disburse the payroll accordingly. Checking company's payroll policies It is duty of the company representative to check the internal company's payroll policies.

Prepare and disburse the payroll accordingly. Checking each employee's contract/appointment agreement Most important thing to check in preparing payroll is to check the contract/appointment agreement of each employee. This is the most essential duty of a payroll manager/officer for an appropriate preparation of payroll. Checking each employee's personal file for increments and any other perks or deductions It is also mandatory to check each employee's personal file for increment and any other perks. It will completely appropriate the payroll and adjust all increments and perks that are added during last payroll into salary payment.

Checking tax deductions Tax deduction is an integral and statutory part of payroll activity. Therefore, every payroll manager/officer should check tax deductions from each employee's payroll to fulfill the statutory obligations. Preparing employee's payroll sheet and putting it before management for payment approval The second last task for payroll activity is to prepare final sheet of payroll and put it before management for payment approval. Pay

salaries to employees and get receiving of payment on salary slip The last task is to pay/disburse the salaries to employees and get receiving from each employee on salary slip. Section II: Petty cash basic theory and procedure Petty cash is a cash account that is used for petty expenses of an enterprise. It normally has bimonthly budgeting as well as spreading the budget to the next coming expenses.

Moreover, it is normally duty of a cash officer to maintain petty cash account. Maintaining cash account for petty expenses and petty revenue/receipts In the running petty cash account, it is duty of cash officer to maintain cash account on daily basis for petty expenses and petty revenue receipts. Upcoming expenses location, allocation, and bimonthly withdrawal of cash from bank It is duty of a cash officer to locate and allocate the upcoming expenses and withdraw funds from bank on bimonthly basis. Maintaining cash vouchers for cash payments and receipts Maintaining cash vouchers for cash payments and cash receipts is the most significant duty of cash officer. The vouchers are essence of accounting activity and they have to be complete in all manners.

Attach supporting documents invoices/receipts with cash vouchers Attaching supporting documents with the vouchers authenticates the transactions. A voucher has no value without supporting documents attachment. Get signature the vouchers from relevant authorities It is mandatory to get signature the vouchers from relevant authorities i. e. CEO, directors, or managers. It will authenticate the organization's transaction.

File vouchers to respective month's petty cash voucher file The last task of cash officer is to file all the vouchers to its respective month's petty cash vouchers file. This activity completes the responsibility and statutory obligation on petty cash activity.