In Business for You

Workstream Description

Payroll

Nonprofit Model 21.3

2021-11-30

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Context

Unit4 has developed the **Nonprofit Model** (NP Model), which is the approach to deliver out of the box capabilities embedded in the software based on best practices for Nonprofit organizations. It is supported by additional database configuration, documentation and an iterative delivery model.

Workstreams

The NP Model consists of several workstreams. For each of these workstreams, documentation is available that describes the supplied capabilities. The following workstreams are available:

- Finance (mandatory)
- Budgeting
- Asset administration
- Procurement
- Sales
- Human Resources
- Payroll
- Travel & Expenses
- Project Cycle Management
- Award Management
- System Administration
- Volunteer Management

The workstreams setup is predefined based on the process scoped for the solution. In the personalization phase, the information specific from the customer is configured. Unit4 ERPx is a highly flexible and agile solution that can easily be adapted to support different system setups and processes.

Intended audience

The intended audience of this documentation is Payroll department who are familiar with all processes completed by the Payroll department from data collection to reporting. Readers are not required to know all the details of human resources processes. However, some knowledge of Payroll basic concepts be advantageous for the reading of this documentation.

Contents

Payroll

The Payroll process contains all the activities involved from capturing benefits and allowances for personnel, the gross-net calculation of the payroll and processing of the payroll resulting in payment to the employee. The described structures and processes are based upon the software capabilities provided with Unit4 ERPx.

The Payroll workstream is entirely part of the Additions scope of the NP Model. This workstream's prerequisite is the Human Resources workstream for the Core scope and the Finance workstream Core scope.

Benefits and allowances

Resource level

The Employee record contains a set of predefined fields to capture all payroll rates, benefits and allowances.

	Relation	Relation value	Description	Date from	Date to	Status	Create history	
☐	Position (POSNO)	PO30030	Project Manager	1/1/2018	12/31/2099	Active		
☐	Period type (PERTYPE)	GL	Accounting period	11/24/2020	12/31/2099	Active		
☐	Allowance 1 (ALLOW1)	1	Yes	11/24/2020	12/31/2099	Active		
☐	Benefit 1 (BENEFIT1)	1	Yes	11/24/2020	12/31/2099	Active		
☐	Deduction 1 (DEDUCTION1)	1	Yes	11/24/2020	12/31/2099	Active		
☐	Loan 1 (LOAN1)	1	Yes	11/24/2020	12/31/2099	Active		
☐	Salary Fixed Connection (PAYTYPE)	1	Fixed Salary	11/24/2020	12/31/2099	Active		
☐	Terms and Conditions (EMPTERMS)			11/24/2020	12/31/2099	Active		
☐	Weeks per year % (WEEKSPY)	0.50	0.50	11/24/2020	12/31/2099	Active		

Figure 1 - Payroll information at employee level – values amended / extended as per localization requirement

The NP model offers the following out of the box:

Benefits, Deductions & allowances	
Benefit 1-5	Benefits assigned to the resource (up to 5 variants)
Allowance 1-5	Allowances assigned to the resource (up to 5 variants)
Deduction 1-5	Deductions assigned to the resource (up to 5 variants)
Loan 1-5	Loans assigned to the resource (up to 5 variants)
T&C	Terms & conditions
Week type	Defines payroll period (e.g. weekly or monthly payroll)
Week years	Number of weeks per year percentage
Pay type	Salary fixed connection

Position level

To support resources' benefits and allowances to be prepopulated based on their position, these are added on the position level.

Figure 2 - Payroll information on position level – values amended / extended as per localization requirement

Benefits, Deductions & allowances	
Allowance 1-5	Allowances assigned to the resource (up to 5 variants)
T&C	Terms & conditions
Week years	Number of weeks per year percentage
Pay type	Salary fixed connection

Gross pay calculation

Gross pay elements

A set of formulas is provided to calculate the gross salary for an employee using the described employee benefits, deductions and allowances.

The following payroll components are part of the gross pay calculation. Fixed components are added on employee or position level, variable components are part of the variable payroll transactions entry. Calculated components are automatically calculated by the entry of the fixed and variable components.

Gross pay elements		Type
1001	Allowance 1	Fixed
1002	Allowance 2	Fixed
1003	Allowance 3	Fixed
1004	Allowance 4	Fixed
1005	Allowance 5	Fixed
3000	Benefit 1	Fixed
3001	Benefit 2	Fixed
3002	Benefit 3	Fixed
3003	Benefit 4	Fixed
3004	Benefit 5	Fixed
3100	Deduction 1	Fixed
3101	Deduction 2	Fixed
3102	Deduction 3	Fixed
3103	Deduction 4	Fixed
3104	Deduction 5	Fixed
3200	Loan 1	Fixed
3201	Loan 2	Fixed
3202	Loan 3	Fixed
3203	Loan 4	Fixed

Gross pay elements		Type
3204	Loan 5	Fixed
2030	Shift Premium	Variable
2040	On Call	Variable
2050	Travel time	Variable
Z100	FTE annual salary	Calculated
Z101	Actual annual salary = FTE annual salary * (Contracted hours / Standard weekly hours) * (Weeks per year 5 / 100)	Calculated
Z102	Monthly salary = FTE annual salary * (Contracted hours / Standard weekly hours) * (Weeks per year 5 / 100) / 12	Calculated
Z103	FTE = Contracted hours / Standard weekly hours	Calculated
Z105	FTE * incl. weeks per year% = (Contracted hours / Standard weekly hours) * (Weeks per year % / 100)	Calculated
Z106	Hourly rate = (FTE annual salary / 52.143) / Standard weekly hours	Calculated
Z107	Casual hourly rate = (Actual annual salary / 52) / Standard weekly hours	Calculated
Z108	Daily rate = Actual annual salary / (Contracted hours/Standard weekly hours) / 365	Calculated
Z200	Standard weekly hours	Calculated
Z201	Contracted hours	Calculated
Z202	Weeks per year %	Calculated

Gross pay accounts

The gross pay elements are defined with the following payment & deduction codes and associated GL accounts based on these components.

Basic pay

No	Component	Account	Balance account
1000	Basic pay	513010 Staff salaries	

Allowances

No	Component	Account	Balance account
1001	Allowance 1	513030 Employee allowances	
1002	Allowance 2		
1003	Allowance 3		
1004	Allowance 4		
1005	Allowance 5		

Benefits

No	Component	Account	Balance account
3000	Benefit 1	513070 Other benefits & compensation	
3001	Benefit 2		
3002	Benefit 3		
3003	Benefit 4		
3004	Benefit 5		

Deductions

No	Component	Account	Balance account
3100	Deduction 1	334000 Retention payables	
3101	Deduction 2		
3102	Deduction 3		
3103	Deduction 4		
3104	Deduction 5		

Loans

No	Component	Account	Balance account
3200	Loan 1	513130 Employee allowance	
3201	Loan 2		
3202	Loan 3		
3203	Loan 4		
3204	Loan 5		

Variable entries

No	Component	Account	Balance account
2000	Regular hours	513010 Staff salaries	
2001	Casual hours	513130 Employee allowance	
2010	Overtime x 1.0	513020 Overtime	
2011	Overtime x 1.5		
2012	Overtime x 2.0		
2020	Overtime x 1.0 time bank		513020 Overtime
2021	Overtime x 1.5 time bank		
2022	Overtime x 2.0 time bank		
2030	Shift premium	513130 Employee allowance	
2040	On Call		
2050	Travel time		
2099	Severance payment		

Generated entries

No	Component	Account	Balance account
5005	Total gross pay	513010 Staff salaries	513010 Staff salaries
9999	Net pay	321010 Employee wages and salaries payable (AP)	

Gross pay calculation

The gross pay component is calculated using the following Payment & Deduction codes

Basic pay

No	Component	Account
1000	Basic pay	513010 Staff salaries

Allowances (+)

No	Component	Account
1001	Allowance 1	513030 Employee allowances
1002	Allowance 2	
1003	Allowance 3	
1004	Allowance 4	
1005	Allowance 5	

Variable entries (+)

No	Component	Account
2000	Regular hours	513010 Staff salaries
2001	Casual hours	513130 Employee allowance
2010	Overtime x 1.0	513020 Overtime
2011	Overtime x 1.5	
2012	Overtime x 2.0	

No	Component	Account
2030	Shift premium	513130 Employee allowance
2040	On Call	
2050	Travel time	
2099	Severance payment	

Deductions (-)

No	Component	Account
3100	Deduction 1	334000 Retention payables
3101	Deduction 2	
3102	Deduction 3	
3103	Deduction 4	
3104	Deduction 5	

Total gross pay

No	Component	Account
5005	Total gross pay	513010 Staff salaries

Variable payroll transactions

Register variable payroll transactions

Incidental payroll transactions are entered in a dedicated screen and added on top of the regular payroll entries.

Figure 3 - Variable payment entry

Review variable transactions

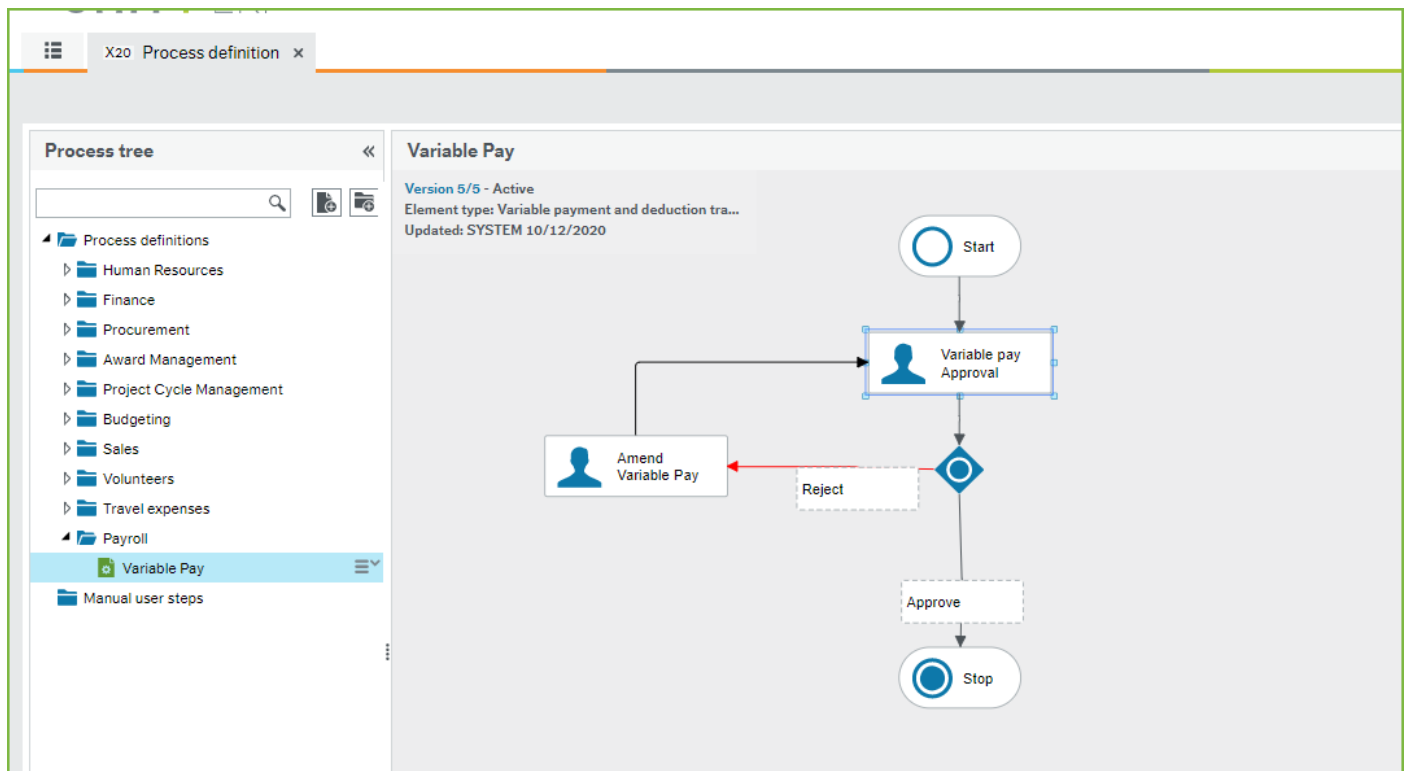Variable payroll transactions are sent for review in workflow to the cost center manager.

Figure 4 - Variable payroll review process

Gross-net calculation

The payroll configuration supports a calculation engine to generate the gross to net calculation of the payroll. This gross-net calculation relies on local setup for tax, social fares and other regulatory calculation items. Since this is highly localized, it is either part of your implementation project or is pre-determined in the model localized configuration.

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