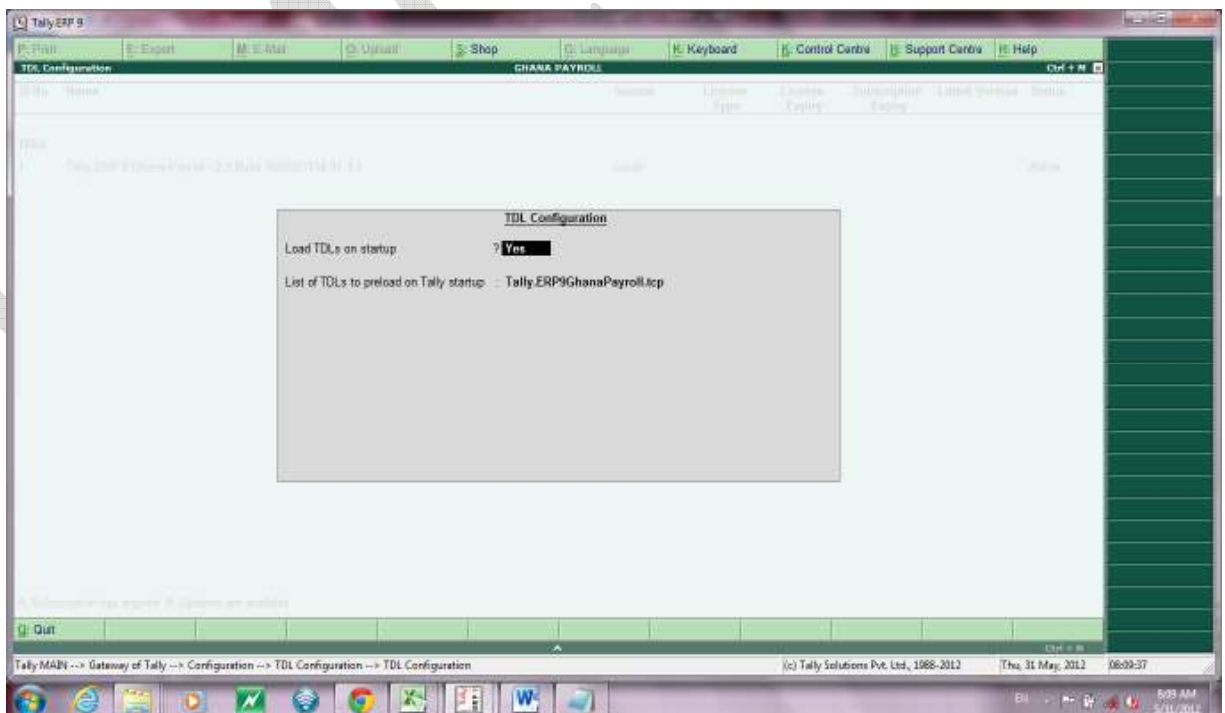


TALLY GHANA PAYROLL ADD-ON

CHAPTER 1. INSTALLATION STEPS OF PAYROLL ADD-ON.

To install payroll add-on into the tally software:

1. Copy the Tally.ERP9GhanaPayroll.tcp file from your cd, pen drive or hard drive and paste it into tally.erp folder in your drive C,D, or E.
2. Copy the name of the file by right clicking on the file, selecting rename, right click again and select copy.
3. Start the tally software program on your machine.
4. Go to the F12 configuration, select tdl configuration, click on F4 for local tdl.
5. Select yes to load tdl on startup, Press on the combination of Ctrl + Alt + Enter to paste the name of the payroll file you copied in the column of list of TDLS to preload start up, and press Enter key to save. NOTE : Please bear in mind the if you are using windows vister or windows 7 or 8, the extension .tcp will not appear automatically when you paste the name, thus the extension .tcp has to added manually to the name in tally after pasting.
6. Note the screen shot below for further clarification.



CHAPTER 2: CREATING PAYHEADS.

Definition: Pay heads are generally ledger heads in tally used to payroll processing, or salary components constituting Pay Structures. These include Basic salary, SSF, income Tax, etc.

Steps:

1. To run payroll in tally you first have to enable the payroll feature in tally under F11 accounting features.
2. From there, go to gateway of tally and select Payroll Info to enter into the payroll setup.

Select pay head amongst the list and select create amongst the options. In other words Go to **Gateway of Tally > Payroll Info. > Pay Heads > Create**. Hence L>P>C for short.

a. BASIC SALARY CREATION.

Definition: Basic salary, also known as gross salary is the total gross income before tax earned by the employee as at month end. Find below screen shot for how basic salary is to be captured in tally.

Note : Basic salary should fall under indirect expense where the staff involved is an administrative personnel. Where the company has both admin and production staff, a second basic salary account should be set up as an Direct expense for production staff.

The screenshot shows the 'Pay Head Alteration' screen in Tally ERP 9 for a pay head named 'Basic Salary'. The screen is divided into several sections:

- Pay Head Info:**
 - Pay Head Type: Earnings for Employees
 - Under: Indirect Expenses
 - Use as Basic Salary Account: ? Yes
 - Use as SSF Account: ? No
 - Use as Over Time Account: ? No
 - Affect Net Salary: ? Yes
 - Name to appear in Pay Slip: BASIC SALARY
 - Currency of Ledger: GHG
 - Use for Gratuity: ? No
 - Calculation Type: Flat Rate
 - Calculation Period: Months
- Rounding Info:**
 - Rounding Method: 3 Not Applicable
- Total Op. Bal.:**
 - 2,045,205.69 Dr
 - 80,644.23 Cr
 - Difference: 1,960,641.46 Cr
- Opening Balance (on 1-Jan-2012):**

The bottom of the screen shows the Tally menu bar and the status bar with the date 31 May 2012 and time 08:10:55.

b. 5.5% SSF CREATION:

5.5% SSF is the statutory employee contribution payable monthly as per Ghanaian Law. See below how to capture it in tally.

Note: Pay head should fall under employee's statutory deduction. Use as SSF account should be set to yes. Calculation type should be as computed value with 5.5 as percentage value.

The screenshot shows the Tally ERP 9 'Pay Head Alteration' window for '5.5% SSF'. The window is titled 'GHANA PAYROLL' and includes a 'Total Op. Bal.' summary table.

Total Op. Bal.	
2,049,285.69	Dr
80,644.23	Cr
Difference	
1,968,641.46	Dr

The 'Pay Head Info' section includes the following details:

- Pay Head Type Under: Employees' Statutory Deductions
- Use as PAYE Account: ? No
- Use as SSF Account: ? Yes
- Affect Net Salary: ? Yes
- Name to appear in Payslip: 5.5% SSF
- Currency of Ledger: GH¢
- Calculation Type: As Computed Value
- Calculation Period: Months

The 'Computation Info' section shows the 'On Current Earnings Total' table:

Effective From	From Amount	Amount Upto	Slab Type	Value Basis
1-Jan-2011			Percentage	5.50 %

The 'Rounding Info' section shows 'Rounding Method : 3 Not Applicable'.

The 'Opening Balance (on 1-Jan-2012)' section is empty.

The bottom status bar shows the path: Tally-MAN -> Gateway of Tally -> Payroll Info. -> Pay Heads -> Pay Head Alteration. The date is Thu, 31 May 2012, and the time is 08:11:22.

c. INCOME TAX:

Otherwise known as PAYE (Pay As You Earn) this is a statutory tax chargeable on basic salary after ssnit deduction. Find below the illustrations. Note : Pay head falls under Employees statutory deductions. Use as Paye account should be set to yes.

IPMC LTD

Pay Head Alteration

Name: PAYE

Total Op. Bal.

2,849,285.69	Dr
80,644.23	Cr
Difference	
1,968,641.46	Cr

Notes:

Pay Head Info

Pay Head Type Under: Employees' Statutory Deductions - Current Liabilities

Use as PAYE Account: ? Yes

Use as SSF Account: ? No

Affect Net Salary: ? Yes

Name to appear in Payslip: PAYE

Currency of Ledger: GH¢

Calculation Type: As Computed Value

Calculation Period: Months

Computation Info

Compute: On Current Earnings Total

Effective From	From Amount	Amount UpTo	Slab Type	Value Basis
1-Jan-2012			Percentage	0 %

Rounding Info

Rounding Method: Not Applicable

Opening Balance (on 1-Jan-2012):

Buttons: Quit, Accept, Discard

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration

(c) Tally Solutions Pvt. Ltd., 1988-2012 Thu, 31 May 2012 08:13:07

Income Tax Slabs. Screen below shows the slabs when PAYE account is set to YES.

Tax Slab

NAME: PAYE

PAYE Computation Slab Values

Compute: On Current Earnings Total

From Amount	Amount UpTo	Slab Amount
120.00	180.00	5.00
180.00	284.00	10.00
284.00	2,400.00	17.50
2,400.00		25.00

Computation On:

- On Current Deductions Total
- On Current Earnings Total
- On Current SubTotal
- On Specified Formula

Buttons: Quit, Accept, Discard

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration -> Tax Slab

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Then save screen to complete PAYE payhead.

- d. OVERTIME: This is an extra earning incurred for workdone beyond the standard working hours.

The screenshot shows the 'Pay Head Alteration' screen in Tally ERP 9 for the company 'GHANA PAYROLL'. The 'Name' field is set to 'Overtime'. The 'Total Op. Bal.' section shows a debit balance of 2,049,285.69 and a credit balance of 80,644.23, resulting in a difference of 1,968,641.46 credit. The 'Pay Head Info' section includes options for 'Pay Head Type' (Earnings for Employees, Indirect Expenses), 'Use as Basic Salary Account' (No), 'Use as SSF Account' (No), 'Use as Over Time Account' (No), 'Affect Net Salary' (Yes), 'Name to appear in Payslip' (Overtime), 'Currency of Ledger' (GH₵), 'Use for Gratuity' (No), 'Calculation Type' (Flat Rate), and 'Calculation Period' (Months). The 'Rounding Info' section shows 'Rounding Method' as 'Not Applicable'. The 'Opening Balance' is noted as 'on 1-Jan-2012'. The bottom status bar indicates the user is 'Tally MARN', the date is 'Thu, 31 May 2012', and the time is '08:26:01'.

NB: 'Use As Overtime Account' should be set to No. This is because the option Yes will trigger the overtime allowance to be taxed by PAYE.

- e. OVERTIME TAX 10%: This is a statutory tax collected on overtime earned. It is normally 5% of the overtime.

NB: Calculation Type should be as computed value since it is based on computation ie 5% of the overtime as selected below.

Again, the computation info section must be based on Specified Formula as seen below.

Pay Head Alteration

Name : Overtime Tax 5%

Total Op. Bal.

2,849,285.69 Dr
80,644.23 Cr
Difference
1,968,641.46 Cr

Notes :

Pay Head Info

Pay Head Type : Under

Deductions From Employees : Duties & Taxes (Current Liabilities)

Use as SSF Account : ? No

Affect Net Salary : ? Yes

Name to appear in Payslip : Overtime Tax

Currency of Ledger : GH¢

Calculation Type : As Computed Value

Calculation Period : Months

Computation Info

Compute : On Current Earnings Total

Effective From	From Amount	Amount Up to	Slab Type
1-Jan-2012			

Computation On

On Current Deductions Total

On Current Earnings Total

On Current SubTotal

On Specified Formula

Rounding Info

Rounding Method : Not Applicable

Opening Balance (on 1-Jan-2012) :

Quit

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration

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Thu, 31 May 2012 09:16:44

Once selected, another screen is seen as below

Computation On Specified Formula

Compute : On Specified Formula

Function	Pay Head
Add Pay Head	Overtime

List of Pay Heads

- 5.5% SSF Allowance
- Back Pay
- Basic Salary
- Bonus
- Clothing Allowance
- Employer SSF Contribution 13%
- Other Deductions
- Overtime Tax
- PAYE
- Salary Advance
- Staff Loan
- Telephone
- Transfer to Freedom Fund
- Withholding Tax

Quit

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration -> Computation On Specified Formula

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Thu, 31 May 2012 09:17:13

Add payhead Overtime and save screen..

This takes you back to the original screen where Percentage slab type is selected and value of 5 is entered as seen below. Then accept finally to save screen.

IPMC LTD

Pay Head Alteration
Name : Overtime Tax 5%
(/tax)

Total Op. Bal.
2,049,285.69 Dr
80,644.23 Cr
Difference
1,968,641.46 Cr

Pay Head Info
Pay Head Type Under : Deductions From Employees
Duties & Taxes (Current Liabilities)
Use as SSF Account ? No
Affect Net Salary ? Yes
Name to appear in Payslip : Overtime Tax
Currency of Ledger : GH¢
Calculation Type : As Computed Value
Calculation Period : Months

Computation Info
Compute On Specified Formula : Overtime
Effective From : 1-Jan-2012
From Amount :
Amount Upto :
Slab Type : Percentage
Value Basis : 5 %

Rounding Info
Rounding Method : Not Applicable

Opening Balance (on 1-Jan-2012) :
Accept ?
Yes No

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration
(c) Tally Solutions Pvt. Ltd., 1988-2012 Thu, 31 May 2012 09:24:17

- f. LOAN DEDUCTION: This is an amount deducted from salary to repay loan taken from staff.

Pay Head Alteration
Name : Loan Deduction
(/tax)

Total Op. Bal.
2,049,285.69 Dr
80,644.23 Cr
Difference
1,968,641.46 Cr

Pay Head Info
Pay Head Type Under : Deductions From Employees
Current Assets
Use as SSF Account ? No
Affect Net Salary ? Yes
Name to appear in Payslip : Staff Loan
Currency of Ledger : GH¢
Calculation Type : Flat Rate
Calculation Period : Months

List of Pay Head Types
Not Applicable
Deductions from Employees
Earnings for Employees
Employees' Statutory Deductions
Employer's Statutory Contributions
Gratuity
Loans and Advances
Reimbursements to Employees
Tax paid by Employer on Perquisites

Rounding Info
Rounding Method : Not Applicable

Opening Balance (on 1-Jan-2012) :
Accept ?
Yes No

Tally MAB -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration
(c) Tally Solutions Pvt. Ltd., 1988-2012 Thu, 31 May 2012 09:36:44

NB: This should fall under 'deduction from Employees' as seen above.

Also the calculation Type should be flat rate, since the loan amount will be inputted ie not based on computation. Accept screen to save.

g. PROVIDENT FUND 10%:

This is a contribution by staffs made for investment. It is mormaly 10& of the Basic salary

Pay Head Creation

Name (alias): Provident Fund 10%

CHANA PAYROLL

Total Op. Bal.

2,049,285.69	Dr
80,644.23	Cr
Difference	
1,968,641.46	Dr

Notes :

Pay Head Info

Pay Head Type : Deductions From Employees

Under : Indirect Expenses

Use as SSF Account : ? No

Affect Net Salary : ? Yes

Name to appear in Payslip : Provident Fund 10%

Currency of Ledger : GH¢

Calculation Type : As Computed Value

Calculation Period : Months

Computation Info

Compute : On Specified Formula

Specified Formula : Basic Salary

Effective From	From Amount	Amount Upto	Slab Type
1-Jan-2012			Percentage
			10 %

Computation On

On Current Deductions Total

On Current Earnings Total

On Current SubTotal

On Specified Formula

Rounding Info

Rounding Method : 3 Not Applicable

Opening Balance (on 1-Jan-2012) :

Tally-MAR -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Creation

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Thu, 31 May 2012 10:00:21

NB: It must be classified under 'Pay head Type' Deduction from Employees as seen above.

Also 'Computation Info' must be on specified Formula where Basic salary will be added and 'slab type' Percentage selected as below.

IPMC LTD

Compute: On Specified Formula

Function	Pay Head
Add Pay Head	Basic Salary

Compute: On Specified Formula

Effective From	From Amount	Amount Up to	Slab Type	Value Basis
1-Jan-2012			Percentage	10 %

List of Pay Heads

- 5.5% SSF
- Allowance
- Back Pay
- Basic Salary
- Bonus
- Clothing Allowance
- Employer SSF Contribution 13%
- Loan Deduction
- Other Deductions
- Overtime
- Overtime Tax 5%
- PAYE
- Salary Advance
- Telephone
- Transfer to Freedom Fund
- Withholding Tax

Hence 10% as seen below. Accept screen to save.

Pay Head Creation

Name: Provident Fund 10% (alias)

Total Op. Bal.

2,845,285.69	Dr
80,644.23	Cr
Difference	
1,968,641.46	Dr

Pay Head Info

Pay Head Type Under: Deductions From Employees Indirect Expenses

Use as SSF Account: ? No

Affect Net Salary: ? Yes

Name to appear in Payslip: Provident Fund 10%

Currency of Ledger: GH₵

Calculation Type: As Computed Value

Calculation Period: Months

Computation Info

Compute: On Specified Formula

Effective From	From Amount	Amount Up to	Slab Type	Value Basis
1-Jan-2012			Percentage	10 %

Rounding Info

Rounding Method: Not Applicable

Opening Balance (on 1-Jan-2012):

Accept ?

ghana@tallyafrica.com

02640 82559

h. ALLOWANCE (TAXABLE) : This is allowance which is taxable.

NB: 'Allowance' must be entered at the Notes field on the screen as seen below. This when done indicates to the software that the payhead ought to be taxed.

The screenshot shows the 'Pay Head Alteration' screen in Tally ERP 9. The title bar indicates 'Tally ERP 9' and the window title is 'GHANA PAYROLL'. The screen is divided into several sections:

- Name (alias):** Allowance (Taxable)
- Total Op. Bal.:**

2,049,285.69	Dr
80,644.23	Cr
Difference	
1,968,641.46	Cr
- Notes:** Allowance
- Pay Head Info:**
 - Pay Head Type: Earnings for Employees
 - Under: Indirect Expenses
 - Use as Basic Salary Account: ? No
 - Use as SSF Account: ? No
 - Use as Over Time Account: ? No
 - Affect Net Salary: ? Yes
 - Name to appear in Payslip: Allowance
 - Currency of Ledger: GH¢
 - Use for Gratuity: ? No
 - Calculation Type: Flat Rate
 - Calculation Period: Months
- Rounding Info:**
 - Rounding Method: 3 Not Applicable
- Opening Balance (on 1-Jan-2012):**

The bottom of the screen shows the Tally menu bar with options like 'Quit', 'Accept', 'D: Balance', and the status bar indicating 'Tally MABN -> Gateway of Tally -> Payroll Info -> Pay Heads -> Pay Head Alteration'.

Also note that 'Pay head Type' is Earnings from employees and 'Calculation Type' Flat Rate since it is normally not based on any computation but rather inputted.

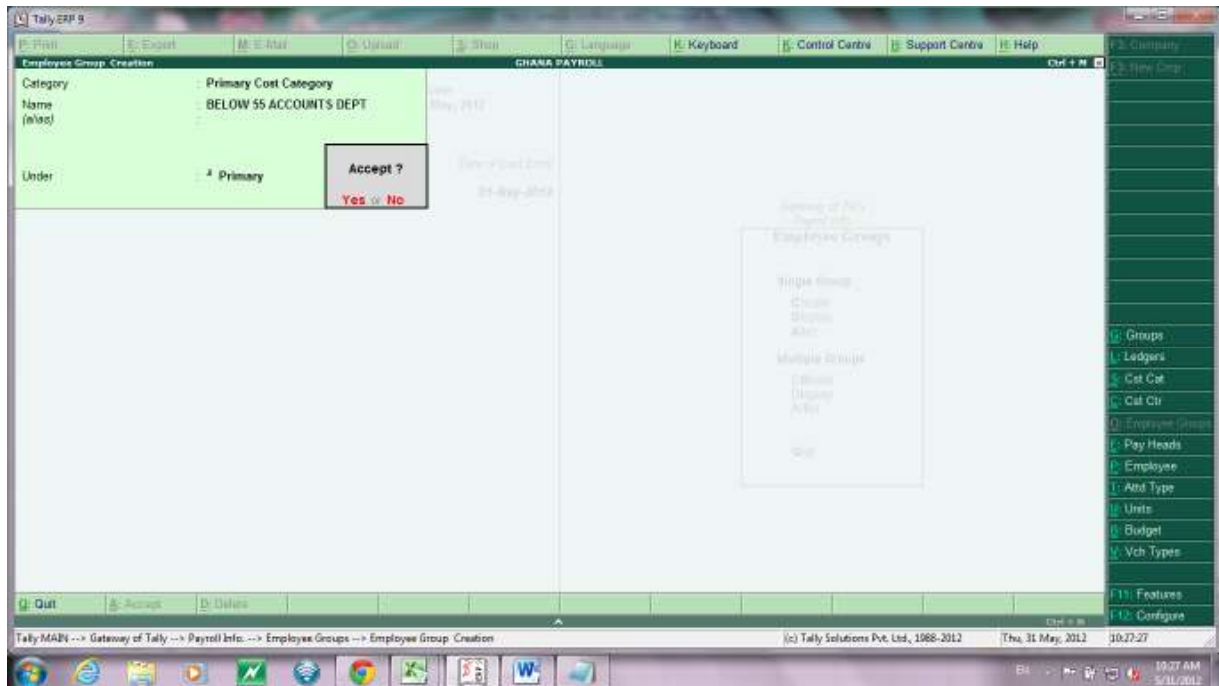
Accept screen to save.

CHAPTER THREE: CREATING EMPLOYEE GROUPS

Employee Groups are necessary so as to group employees for easy reporting and/or sorting.

NB: In Tally, 'Below 55' or 'Above 55' must be affixed to the employee group name. This allows the software to calculate the Ghana SSNIT structure and Income tax reports accurately.

From gateway, go to **Payroll Info > Employee Group > Create**. Hence, **L>G>C** for short.



Classify all of them under the default cost category called 'Primary Cost category' and under 'Primary'. Do so for the other departments or employees groups.

CHAPTER FOUR: CREATING EMPLOYEE

This screen allows one to create employee details including bio data etc., as seen below;

From gateway, go to **Payroll Info > Employees > Create** Hence **L>E>C** for short.

Employee Creation

Category : Primary Cost Category
 Name (alias) : FRED K. MENSAH
 Surname : MENSAH
 First Name : FRED
 Other Name : K.
 Display Name in Reports : FRED K. MENSAH
 Under : BELOW 55 ACCOUNTS DEPT
 Date of Joining : 1-Jan-2012
 Basic Salary A/c : Basic Salary
 SSF A/c : 5.5% SSF

General Info	Payment Details	Contract Details	Statutory Details
Employee Number : GP00001	Bank Name : ECOBANK	Work Permit Number :	SSF Number : 11112225
Rank : ACCOUNTS	Branch : NORTH LEGON	Contract Start Date :	Employer's SSF (a %): 13.00
Function : NORTH LEGON	Bank A/c Number : 4500000078962	Contract Expiry Date :	
Location : Male			
Gender : 1-Dec-1977			
Date of Birth : A1B Negative			
Blood Group : MR AARON MENSAH			
Father / Mother Name : MRS EMILY MENSAH			
Spouse Name : P O BOX 123			
Address : ACCRA			
Contact Numbers : 0244 1569872			
E-Mail ID : fredmensah@yahoo.com			

Accept ?
 Yes No

NB: Make sure to select Basic salary and 5.5% SSF Payheads at their respective fields as indicated above.

Do so for all other employees and save.

CHAPTER FIVE: CREATING SALARY DETAILS

This allows us to select the necessary payheads relevant to an employee.

NB: Without this section, one cannot populate the respective payheads for an employee, in other words, payslip cannot be generated if salary details is ignored.

From gateway, go to **Payrol info > Salary details > Create**. Hence **L>S>C** for short.

Select name of employee ie Fred Mensah and a screen as below show up, where we select the relevant Payheads associated to the particular employee.

Effective From	Pay Head	Rate	Per	Pay Head Type	Calculation Type	
1-Jan-2012	Basic Salary	1,000.00	Months	Earnings for Employees	Flat Rate	
	5.5% SSF Allowance (Taxable)	350.00	Months	Employees' Statutory Deductions	As Computed Value	On Curr
	PAYE	450.00	Months	Earnings for Employees	Flat Rate	
	Overtime	450.00	Months	Employees' Statutory Deductions	As Computed Value	On Curr
	Loan Deduction	150.00	Months	Earnings for Employees	Flat Rate	
	Provident Fund 10%			Deductions From Employees	As Computed Value	Overtime
				Deductions From Employees	Flat Rate	
				Deductions From Employees	As Computed Value	Basic Sa

Accept screen to save details

CHAPTER SIX: GENERATING PAYROL

At this point from gateway go to **Payroll Vouchers** > select **payroll** . Hence **Y> F4** for short.

Then select payroll Autofill from the Button Bar _as seen below

The screenshot shows the Tally ERP 9 Payroll Voucher Creation window. The title bar is 'Tally ERP 9'. The menu bar includes: P: Print, E: Export, M: E-Mail, Upload, Shop, Language, Keyboard, Control Centre, Support Centre, Help. The window title is 'Payroll Voucher Creation'. The main area is titled 'GHANA PAYROLL' and 'Payroll No. 2'. The date is '31-Jan-2012 Tuesday'. The account is 'BARCLAYS A/C 1' with a current balance of '2,127.24 Dr'. The voucher is titled 'Payroll Auto Fill - (Salary)'. The primary cost category is 'FRED K. MENSAH' with a total amount of '1,280.67 Dr'. The breakdown is as follows:

Particulars	Amount
Primary Cost Category	1,280.67 Dr
FRED K. MENSAH	1,280.67 Dr
Basic Salary	1,000.00 Dr
5.5% SSF	55.00 Cr
Allowance (Taxable)	350.00 Dr
PAYE	191.83 Cr
Overtime	450.00 Dr
Overtime Tax 5%	22.50 Cr
Loan Deduction	150.00 Cr
Provident Fund 10%	100.00 Cr

The narration is 'Pay Period : 1-Jan-2012 to 31-Jan-2012 . Ch. No. :'. A small 'Accept ?' dialog box is visible in the bottom right corner with 'Yes' and 'No' buttons. The status bar at the bottom shows 'Tally MAB -> Gateway of Tally -> Payroll Voucher Creation', '(c) Tally Solutions Pvt. Ltd, 1988-2012', 'Thu, 31 May, 2012', and '11:08:05'. The taskbar at the bottom shows various application icons and the system clock '11:08 AM 5/11/2012'.

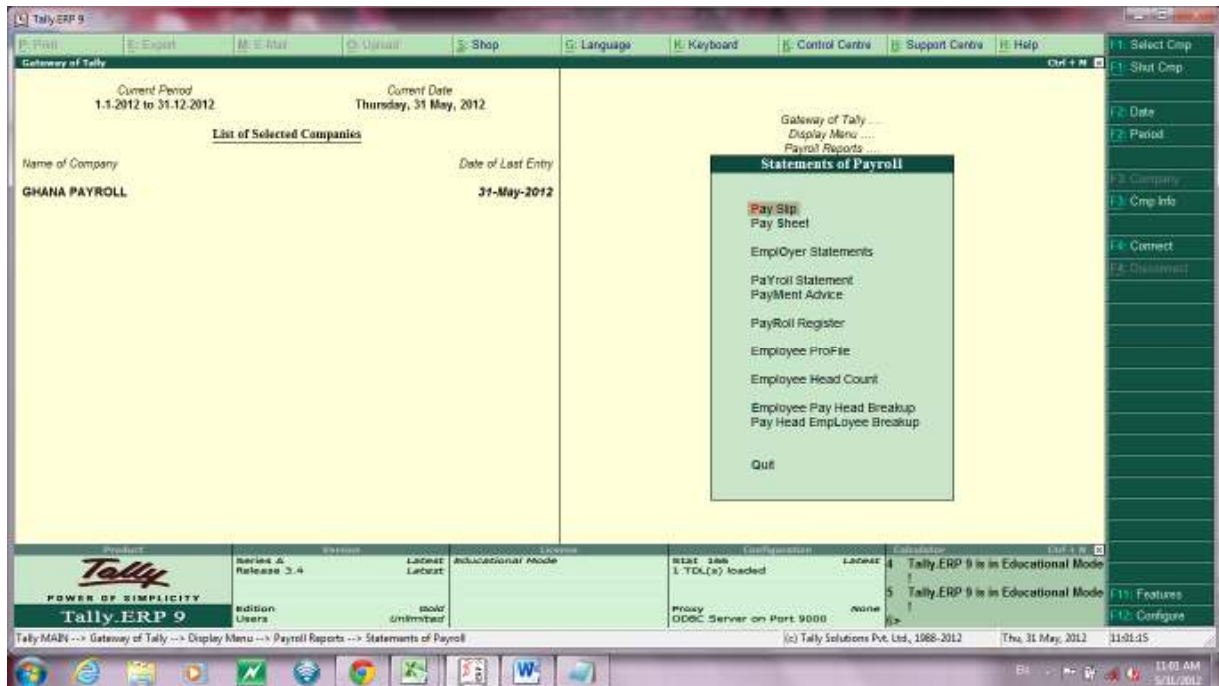
Accept and save.

CHAPTER SEVEN: PAYROL REPORTS

Payroll reports in Tally are quite a lot and very detailed. The most important ones are as follows.

From gateay, go to **Display > Payroll Reports > Statement of Payroll >**

And we have Paysips, Paysheet, Employer Statements, Payment Advice etc as seen.



1. Payslips:

Tally ERP 9

Pay Slip

GHANA PAYROLL

Pay Slip for January 2012

FRED K. MENSAH

Employee Number: GPO001 M Number: 11112225

Function: ACCOUNTS

Location: NORTH LEGON

Bank Details: 450000078962, ECOBANK, NORTH LEGON

Date of Joining: 1-Jan-2012

Earnings	Amount	Deductions	Amount
BASIC SALARY	1,000.00	5.5% SSF	55.00
Allowance	350.00	PAYE	191.83
Overtime Allowance	450.00	Overtime Tax	22.50
		Staff Loan	150.00
		Provident Fund 10%	100.00
Total Earnings	1,800.00	Total Deductions	519.33
		Net Amount	Ghs 1,280.67

Quit

Remove Line | Recreate Line | Restore All | Special: Select

Tally MARS -> Gateway of Tally -> Display Menu -> Payroll Reports -> Statements of Payroll -> Pay Slip -> Pay Slip

(c) Tally Solutions Pvt. Ltd., 1988-2012

Thu, 31 May, 2012 11:09:36

2. Pay Sheet

Tally ERP 9

PaySheet

GHANA PAYROLL

For Employee: FRED K. MENSAH

1-Jan-2012 to 31-Jan-2012

Particulars	Allowance	Back Pay	BASIC SALARY	Bonus	Clothing Allowance	Overtime Allowance	Total Earnings	5.5% SSF	Staff Loan	Other Deductions	Overtime Tax	PAYE	Provident Fund 10%	Salary Advance
Primary Cost Category	350.00		1,000.00			450.00	1,800.00	55.00	150.00		22.50	191.83	100.00	5 more ...
FRED K. MENSAH	350.00		1,000.00			450.00	1,800.00	55.00	150.00		22.50	191.83	100.00	
Grand Total	350.00		1,000.00			450.00	1,800.00	55.00	150.00		22.50	191.83	100.00	

Quit

Remove Line | Recreate Line | Restore All | Special: Select

Tally MARS -> Gateway of Tally -> Display Menu -> Payroll Reports -> Statements of Payroll -> PaySheet

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Thu, 31 May, 2012 11:10:06

Hence other reports can be generated as a result of these inputs.