



Australian Government

Department of Education, Employment and Workplace Relations

BSBFIM502A Manage payroll

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to establish and monitor security procedures for managing organisational payroll services and to calculate and process salary payments, group taxation and related payments.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit applies to individuals employed in a range of work environments who are required to establish and work with payroll systems. They may work as senior administrative staff or may have responsibility for managing payroll systems and calculations.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish procedures for the management of payroll	1.1. Establish <i>security procedures</i> that ensure the confidentiality and security of payroll information 1.2. Ensure procedures guarantee substantiation of claims for allowances 1.3. Establish <i>control measures</i> to safeguard organisation's financial resources in accordance with <i>legislative and organisational requirements</i> 1.4. Establish systems to ensure that statutory obligations are met and records are kept for the period determined by government legislation
2. Prepare payroll data	2.1. Use <i>nominated industrial awards, contracts and government legislation</i> to calculate gross pay and annual salaries 2.2. Calculate <i>statutory and voluntary deductions</i> using government and employee documentation 2.3. Provide payroll data to payroll processor for calculation within <i>designated time lines</i>
3. Authorise payment of salaries	3.1. Check payroll, and authorise salaries and wages for payment in accordance with organisational policy and procedures 3.2. Reconcile salaries, wages and deductions in accordance with organisational policy and procedures 3.3. Deal with salary, wage and related enquiries in accordance with organisational policy and procedures
4. Administer salary records	4.1. Process declaration forms for new and existing employees in accordance with Australian Taxation Office requirements 4.2. Forward periodic deductions to <i>nominated creditors</i> within designated time lines 4.3. Prepare and despatch payments to government authorities accurately and in accordance with the relevant government legislation 4.4. Calculate and transcribe group tax amounts and make payments in accordance with taxation procedures 4.5. Prepare and reconcile employee group certificate amounts from salary records

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to answer enquiries, and to explain and resolve discrepancies with employees
- literacy skills to follow complex financial procedures and to follow and write detailed instructions
- numeracy skills to:
 - use financial formulae
 - calculate gross and net pay
 - compare differing rates of pay over a given time span of the same nature
 - prepare cash analysis sheets
 - reconcile figures and rectify anomalies to ensure accuracy.

Required knowledge

- key provisions of relevant legislation from all forms of government, standards, regulations and codes that may affect aspects of business operations, such as:
 - Australian Taxation Office regulations
 - anti-discrimination legislation
 - ethical principles
 - codes of practice
 - financial legislation
 - privacy laws
 - relevant industrial awards
 - other relevant government and statutory bodies in relation to payroll
 - Superannuation Guarantee (Administration) Act and superannuation regulations
 - organisational policies and procedures across the full range of tasks required payroll processes.

Evidence Guide

EVIDENCE GUIDE	
<p>The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the following is essential:</p> <ul style="list-style-type: none"> • documenting steps undertaken to establish payroll system • using data and calculations to calculate payroll, including a range of deductions • preparing appropriate records to record payroll processing.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • access to office equipment and resources, such as: <ul style="list-style-type: none"> • Australian Accounting and Auditing Standards • calculator • certified or workplace agreements • computer equipment and relevant software • HECS/HELP documentation • organisation's accounting system • organisational contracts • paper-based or electronic payroll system • relevant Australian Taxation Office legislation • relevant industrial Awards • Superannuation Guarantee (Administration) Act • access to samples of financial data.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> • analysis of responses to case studies and scenarios • demonstration of techniques • direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate • review of authenticated documents from the workplace or training environment • oral or written questioning to assess knowledge of

EVIDENCE GUIDE	
	accounting procedures and techniques.
Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none">• financial administration units• other financial management units.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<p><i>Security procedures</i> may include:</p>	<ul style="list-style-type: none"> • authorised access • back-up files • computer passwords • employees signing for pay • ensuring security of passwords and keys • keeping payroll documents secure • maintaining security and confidentiality of employees' details • numbering payroll registers • restricting access to electronic files and locking paper-based confidential information • separating locations of confidential information • storage of information off site • supervision of timesheets
<p><i>Control measures</i> may include:</p>	<ul style="list-style-type: none"> • authorisation requirements • dual checking system • internal control policies and procedures • multiple checks and balances • reconciliation of records • separation of duties
<p><i>Legislative and organisational requirements</i> may include:</p>	<ul style="list-style-type: none"> • Australian Accounting and Auditing Standards • Australian Securities and Investments Commission (ASIC) requirements • Australian Taxation Office regulations • corporations law • Fringe Benefits Tax (FBT) • Higher Education Contribution Scheme (HECS) • Higher Education Loan Programme (HELP) • legislation and regulations in relation to superannuation such as the Superannuation Guarantee (Administration) Act

RANGE STATEMENT	
	<ul style="list-style-type: none"> • organisational policy and procedures for cash handling • Pay As You Go (PAYG) tax • superannuation • tax file number
<i>Nominated industrial awards, contracts and government legislation</i> may include:	<ul style="list-style-type: none"> • certified and workplace agreements • enterprise agreements • federal and state/territory awards • use of Wageline
<i>Calculating gross pay and annual salaries</i> may include:	<ul style="list-style-type: none"> • allowances • annual leave loading • appropriate pay structure • deductions • employment history cards • FBT • FBT returns • long service leave • overtime • penalty rates • salary packaging items • salary sacrificing • sick leave • time sheets
<i>Statutory and voluntary deductions</i> may include:	<ul style="list-style-type: none"> • HECS • HELP • insurance • Medicare levy • PAYG tax • payroll tax • superannuation levy • union fees
<i>Designated time lines</i> may include:	<ul style="list-style-type: none"> • Australian Taxation Office time lines for submission such as group tax, fringe benefits tax • Business Activity Statement (BAS) • stipulated time period before employee departs organisation • stipulated time period before pay is due to employees • organisational time lines

RANGE STATEMENT

<i>Nominated creditors</i> may include:	<ul style="list-style-type: none"> • Australian Taxation Office • government agencies • health funds • membership organisations • those nominated as part of salary packaging • union • vehicle leasing organisations
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Unit Sector(s)

Unit sector	
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Competency field

Competency field	Finance - Financial Management
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Co-requisite units

Co-requisite units		