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| Document Name: | SOP for Payroll System |
| Document Number: | DUHS / FD / SOP / 01 |

DOW UNIVESRITY OF HEALTH SCIENCES (DUHS)



STANDARD OPERATING PROCEDURE

PAYROLL SYSTEM

(CLAUSE 7.5.1 OF ISO 9001:2008)

| | NAME | DESIGNATION | SIGNATURE | DATE |
|------------------------|---------------------------|-----------------------|-----------|-------------|
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Finance Directorate
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DISTRIBUTION LIST

- Vice Chancellor
- Pro- Vice Chancellors
- Registrar
- Director Finance
- Payroll In Charge
- Quality Management Representative
- Heads of Institutions
- Heads of Support Departments
- Deans of All Faculties

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TERMS AND DEFINITION

| TERMS | DEFINITION |
|----------------------------|--|
| Streamline | To make the payroll system simpler and more efficient |
| Efficient | Capable of producing desired results without wasting materials, time, or energy. |
| Verification | The act or process of confirming or checking the accuracy |
| Disbursement | The act of paying out money especially from a fund. |
| Review | Activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives |
| Criteria | A standard on which a judgment or decision may be based |
| Competent Authority | As defined in act of DUHS. |
| Discrepancies | A difference especially between things that should be the same |
| Withheld | To hold salary or something else related to staff/employee payroll. |
| Suspension | Temporary removal (as from office or privileges) of employee |
| Termination | The act of making a person leave a job or the act of firing or dismissing someone |

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LIST OF ABBREVIATIONS

| | |
|------|--|
| HoD | Head of Department |
| DUHS | Dow University of Health Sciences |
| ISO | International Organization for Standardization |
| QMR | Quality Management Representative |
| QMS | Quality Management System |
| SOP | Standard Operating Procedure |
| DF | Director Finance |

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1. PURPOSE:

- To describe the system feature and business process flow of Payroll throughout the Dow University of Health Sciences.
- To streamline the process of payroll.

2. SCOPE:

This procedure is applicable to supporting services provided by the Payroll Department, under the supervision of DUHS. Complete payroll system i.e. Attendance verification to payroll processing, disbursement, reporting and other matters related to payroll shall be looked after by the Payroll Section, Finance Directorate, DUHS. It helps to provide employees the immediate access to essential & real time information in improving services and reducing costs.

3. RESPONSIBILITIES:

The following are the Responsibilities of Officers with regards to the Payroll System:

3.1 DIRECTOR FINANCE

- Is responsible to governs and sets the strategies and vision of the payroll section.
- Is responsible to supervise the payroll system of DUHS.
- Is responsible to make funds arrangement and look after the disbursement process.
- Is responsible for resolving and handling payroll related matters, employee queries and grievances.

3.2 PAYROLL IN-CHARGE

- Is responsible for smooth running of Payroll Software/System in the University.
- Is responsible to resolve pay related issues of employees.
- Is responsible to assign tasks to the payroll team for processing of payroll.
- Is responsible to complete the process of payroll on time and maintain records.
- Is responsible to prepare the tax card on a bi-annual basis, and facilitate employees in payroll tax related issues.
- Is responsible to facilitate in audit of payroll.
- Is responsible for salary slips / certificate distribution.
- Is responsible for any task, as assigned by Director Finance, with regards to payroll.

3.3 PAYROLL TEAM is responsible for accomplishing allocated tasks by Payroll In-charge.

3.4 HoDs/DIRECTORS OF INSTITUTIONS/DEPARTMENTS

- Are responsible to maintain and furnish the attendance / leave record.

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- Are responsible to report timely about the punctuality of employees working under them.

3.5 INTERNAL AUDIT

- Is responsible for audit / inspection of payroll from 26th to the 29th day of the month.
- Is responsible for complete audit of payroll after salary disbursement.
- Is responsible to report audit observation to Director Finance on a monthly basis.

3.6 IN-CHARGE, DISBURSEMENT

- Is responsible for record keeping and entry of payroll in accounts software.

3.7 REGISTRAR OFFICE

- Is responsible to issue necessary notification / memorandum on time.

4. PROCEDURE:

4.1 SALARY DISBURSEMENT MECHANISM & ATTENDANCE SYSTEM OF DUHS

- 4.1.1 For timely disbursement of salaries to Officers & Staff (Regular & Contract), the attendance for processing payroll shall be from 21st day of the month to 20th day of the next month.
- 4.1.2 The Head of Department / Institute shall submit attendance record duly signed and stamped, by 22nd day of the month using Photo Attendance, Biometric Attendance or any other attendance mechanism in place.
- 4.1.3 Payroll Section shall verify the same through official attendance record available to them.
- 4.1.4 Based on the attendance, delivered by HoD, payroll shall process the salary and complete the payroll by 26th day of the month.
- 4.1.5 Pre-Audit of payroll shall be conducted by office of the Resident Auditor / Internal Auditor before disbursement of the salary by the 29th of each month.
- 4.1.6 Parallel information shall be sent to Banking Section (Finance Directorate) for funds arrangement/disbursement.
- 4.1.7 After audit, salary shall be disbursed with the approval of the Competent Authority.

4.2 SALARY DEDUCTION & SALARY "STOP" CRITERIA:

4.2.1 Deduction criteria to be followed by HoDs:

- A grace period of 30 minutes is allowed to all employees at **time-in and time-out**, as per defined staff/employee office hours. This is also applicable to all

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- departments & services areas, other than constituent institutions, i.e. Services Department, Procurement Department, DDRRL, etc.
- Three (3) late coming / Early Leaves = 1 absent, which will be adjusted from Casual Leave only.
 - The CL (Casual Leave) of staff may be adjusted by the Payroll Section, on recommendation of the respective HOD.
 - Late coming and early leave in the same day will be considered as short leave.
 - Short leave will only be allowed after 12 noon; otherwise, it will be considered as full leave.
 - All leaves submitted by employees should have prior approval at least one day before. In case of emergency leave, approved leave application should be submitted to the respective HoDs within 2 days, after availing the leave. All casual leave forms should be maintained at the respective departments. The same record may be retrievable by Payroll Section, **at any time**.
 - Those exempt from Deduction of Salary include only the following: Vice-Chancellor, Pro-Vice Chancellor(s), Registrar, Director Finance, Controller of Examination, and all Directors/Principals of Institutions/Colleges/Departments of DUHS.

4.3 Leave Deduction Rules:

Regular Officers / Staff: After consumption of available annual / casual leaves.

Contract Officers / Staff: After consuming all available leaves.

- Salary may be deducted on request of the HoD through monthly attendance record or email or letter to Payroll In charge.
- The HOD of the respective department is also authorized to stop or release salary of staff/employees by forwarding the recommendation, with defined reason to stop and/or release the salary.

4.4 ADDITION AND DELETION OF EMPLOYEES FROM PAYROLL SYSTEM

- 4.4.1 All Memorandum / Notification related to payroll, about new appointments, retirements, suspension and termination of employees, received in Payroll Section, Finance Directorate, on or before 25th day of the month will be considered. (List of employees for renewal of contracts without memorandum will not be considered).

4.5 SALARY SLIPS & ADJUSTMENTS

- 4.5.1 After disbursing salaries, payroll section shall ensure the timely and accurate distribution of salary slips to concern department / institute.

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4.5.2 After payroll process completion, the payroll section shall verify the complete attendance again and any discrepancies shall be notified to concern HoD and adjustment shall be done in next month.

4.6 TAXATION:

4.6.1 Employee tax cards shall be prepared bi-annually in September and March of every year.

4.6.2 Employee shall be asked to submit any adjustments of their tax withheld on mobiles, electricity, telephone, motor vehicle tax payments by April end of every Financial Year in order to extend tax credit as per FBR Rules.

5. COMPLAINTS & REQUESTS OF EMPLOYEES

For any complaints, suggestion and request, employee shall contact at payroll@duhs.edu.pk