ICB

ACCREDITED BUSINESS QUALIFICATIONS

PAYROLL AND MONTHLY SARS RETURNS (PMSR)

CURRICULUM STATEMENT

CURRICULUM STATEMENT: ICB PAYROLL & MONTHLY SARS RETURNS

Basic bookkeeping and VAT

- Differentiate between the various source documents used by businesses to record various transactions;
- identify the different subsidiary journals and the transactions unique to each of these journals;
- identify the accounts used in the general ledger;
- understand the accounting equation;
- define assets, non-current assets and current assets;
- define liabilities, non-current liabilities and current liabilities;
- define owner's equity and differentiate between drawings and capital;
- define income and expenses;
- explain the rules of double entry;
- explain the purpose of a trial balance;
- distinguish between the monthly and yearly financial cycle of a business;
- revise the recording of transactions in the subsidiary ledgers;
- explain what Value Added Tax (VAT) is and illustrate how the VAT system works in terms of input VAT and output VAT;
- identify the different VAT supply categories (including standard rated, zero-rated and exempt supplies, as well as non-allowable items);
- calculate VAT amounts as well as VAT inclusive and VAT exclusive amounts for various transactions; explain the information that has to be included on an invoice and debit and credit notes for VAT purposes;
- compare the payments vs. the invoice bases according to which vendors may be registered for VAT;
- outline the different categories according to which VAT vendors can be classified;
- explain when VAT payments are due and the penalties and interest that will be charged on late payments;
- distinguish between VAT avoidance and VAT evasion; and
- complete VAT returns accurately and completely.

Plan, organise, implement, monitor and work within the payroll environment

- Identify the role and typical duties of a payroll administrator;
- distinguish between a payroll and a payroll form;
- outline a typical payroll cycle;
- discuss the important issues a payroll administrator needs to deal with, including training and resource allocation, change management, statutory requirements and organisational procedures, prevention of payroll fraud, evaluation and review of payroll staff, reporting of deviations and implementing corrective action;
- describe how a payroll administrator should go about developing procedures to meet specified needs (i.e. developing it in conjunction with users and agreeing the costs and benefits with decision-makers); and
- explain how a payroll administrator could ensure that procedures are implemented.

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Record and validate input variations on employee records

- Discuss why it is important for a payroll administrator to verify employees' contracts;
- outline the elements to be included in a contract of employment;
- explain the importance of capturing employee information correctly on the payroll system;
- recognise what a compensation package comprise of and distinguish between the different types of remuneration;
- explain the importance of employee induction and the role the payroll administrator plays in this process;
- describe how payroll is affected by the movement of employees and the processes that should be followed by the payroll administrator when new employees are appointed, existing employees are promoted or transferred or when the services of an employee are terminated;
- exhibit an understanding of the importance of payroll administrators implementing instructions from external agencies quickly and correctly;
- understand that the payroll administrator has to evaluate and record variation to payroll records in order to ensure that all data is accurate and reasonable, and that no unauthorised changes were made to payroll records.

Basic conditions of employment

- Outline and explain the main stipulations of the Basic Conditions of Employment Act No. 11 of 2002 (as amended);
- calculate and explain normal time and overtime as well as the opportunity cost of each;
- explain the various types of leave that an employee is entitled to during the course of his or her employment;
- outline the implications of leave payments and leave encashment to the individual, the employer, and the society as a whole; and
- record and validate employee records.

Statutory registrations

- Explain and complete the statutory registration forms for a new business;
- explain the purpose, working and logistical arrangements with respect to Skills Development Levies (SDL), Unemployment Insurance Fund (UIF) and Pay-As-You-Earn (PAYE);
- explain the purpose, working and logistical arrangements with respect to the Compensation for Occupational Injuries and Diseases Act; and
- demonstrate the claiming procedures for benefits from each of the designated statutory funds.

Complete PAYE documents

- Calculate gross earnings for an employee, including allowances as well as company car and medical aid fringe benefits;
- calculate 'remuneration' and 'balance of remuneration' as defined by SARS;
- calculate 'PAYE remuneration', 'SDL remuneration' and 'UIF remuneration' as defined by SARS; and
- complete a monthly EMP201 return reflecting the correct calculation and payment of PAYE, SDL and UIF to SARS.

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Accounting for payroll

- Calculate wages from either time records or a productivity scheme;
- make and record the correct deductions;
- record all payroll components in the appropriate wages or salaries register; and
- post the wages and salaries registers as well as the cashbook payments to the general ledger to affect the double entries for payroll.

Computerised payroll

- Install and register a recognised accounting software package;
- navigate through the different menu options;
- create a new company selecting the correct pay frequencies;
- setup the company parameters;
- edit and create transaction codes;
- edit profiles for different pay frequencies;
- create employee master files and link them to the relevant profile;
- bring in year to date totals on employees previously calculated on a manual system;
- set up the default (permanent) tab of employees pay slips;
- edit employees' periodic payslips according to information supplied for the pay period;
- process a payroll run for both weekly and monthly salaries;
- create a backup of the company data;
- run payroll and statutory reports; and
- process a pay period update moving the payroll form one pay period into the next.

Monthly SARS returns and eFiling

- Submit an EMP201 on eFiling; and
- submit a VAT201 form on eFiling.

Ethics and the registered Tax Practitioner

- Contrast morals and ethics;
- explain and describe a code of conduct;
- identify and explain the principles of a code of conduct;
  adhere to a code of conduct;
- identify and understand the ethical issues in an organisation;
- explain the basic principles of internal control;
- identify the need for Tax Practitioners in South Africa;
- explain when a person should register with SARS as a Tax Practitioner;
- explain the procedures to be followed for registration as a Tax Practitioner;
- explain the reasons for regulation of the tax profession; and
- list the benefits for professional membership of the South African Institute of Tax Professionals (SAIT).