Aren Register

Version 10.0

Standard Edition for Kenya

User Guide

Aren Software Ltd

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Contents

1 Introduction

About Aren Register

Aren Register is an extension of the traditional payroll system to include some features normally found in HR software. It runs in the Microsoft Windows environment.

Aren Register lets you specify the posts available in your organisation and then assign existing employees to these posts. As new employees join they are assigned to the posts you have specified. Employees are retained in the system until they leave the organisation. Reports on current and former employees are provided.

The system will help you to keep track of annual leave days earned and taken by employees. You will also be able to record all absence from work. Annual reports on leave and absence are available.

Aren Register makes it easy to process employee pay. It enables you to specify all payments and deductions that apply to each employee. Several reports are derived from this data, including payslips, payroll summary, payroll control account and monthly returns for PAYE and other statutory deductions.

Access to the system requires a username and a password. There is one permanent user who has unrestricted access to the entire system. Other users can be added at any time and assigned access to those functions they need to use.

A single installation of Aren Register will support multiple organisations though a separate licence key is required for each of them. A comprehensive backup system is also provided.

Getting Started

To use Aren Register you need to install it and configure it to suit your needs. The rest of this section shows you how to begin this process.

Installation

To install Aren Register:

1. Download the installation file *reg10.0std.msi* from the downloads page of our website:
`https://www.aren.co.ke/payroll/download10.0.htm`.

2. Double-click on the installation file to begin the installation process.

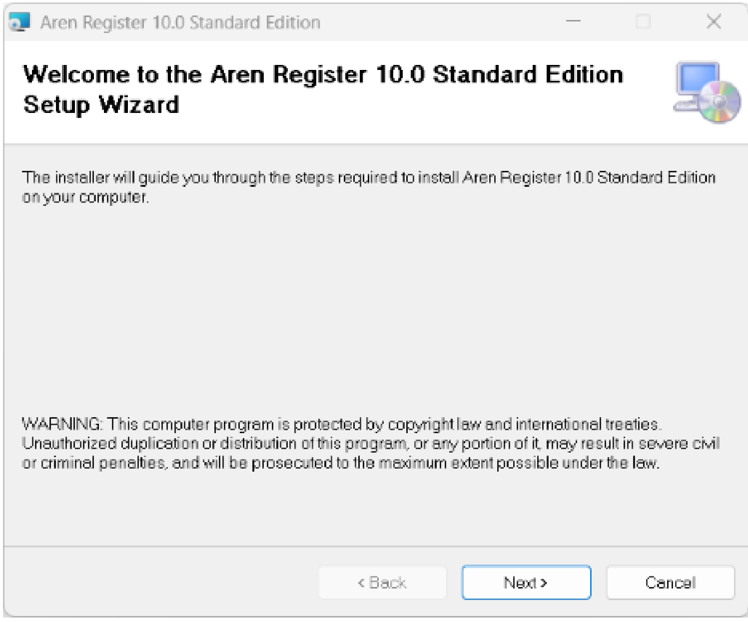

Figure 1.1: Setup Wizard

3. Follow the on-screen instructions that appear during the installation process (figure 1.1).

The installation process copies the files required by Aren Register to the folder you specify on the hard disk of your computer. It will also create a desktop icon for Aren Register.

Creating a Data Folder

1. Once the installation process is complete, start Aren Register using the desktop icon created above.

2. In the Start dialog box that appears (figure 1.2), click on Data Folder to open the Data Folders dialog box (figure 1.3).

3. Click on Create in the Data Folders dialog to create a new data folder in which to store Aren Register data.

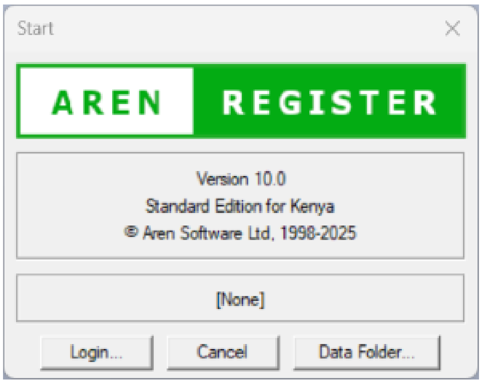

Figure 1.2: Start dialog box

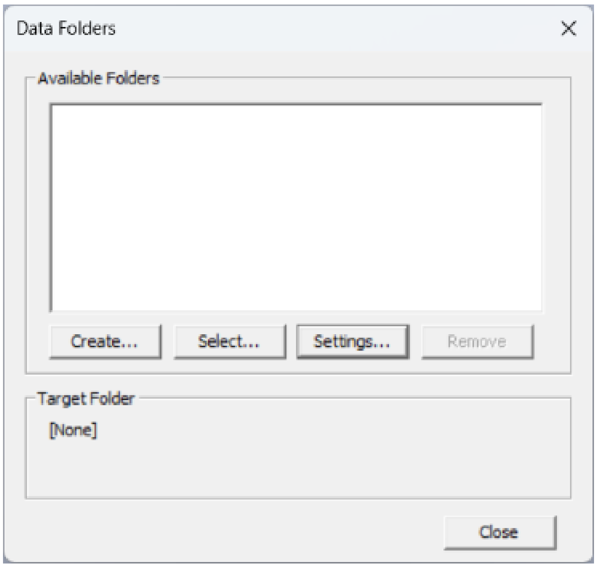

Figure 1.3: Data Folders dialog box

The data folder must be located on the computer running Aren Register, not on a network drive.

Make sure you have unrestricted access to whichever location you choose, otherwise the software may not work properly.

4. Close the Data Folders dialog to return to the Start dialog.

Logging In

1. Within the Start dialog, click on Login to open the Login dialog box.
2. In the Login dialog box enter the username *supervisor* (figure 1.4).

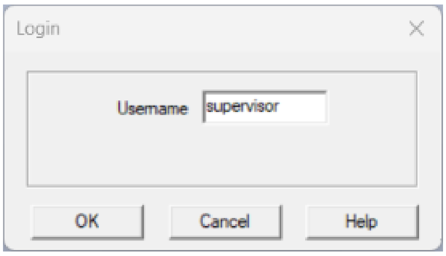

Figure 1.4: Login dialog box

3. You will be prompted to enter a password for use in subsequent logins (figure 1.5). Enter a password of your choice.

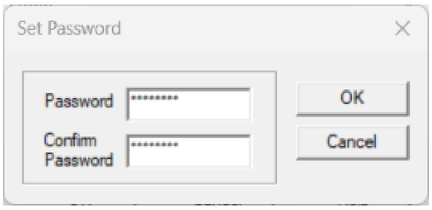

Figure 1.5: Set Password dialog box

4. A message box (figure 1.6) will then appear asking if you would like to copy sample data. Choose *No* to proceed to set up your organisation.

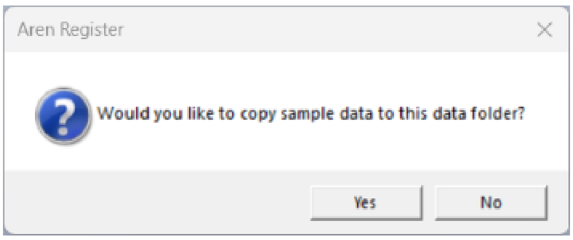

Figure 1.6: Sample data message box

5. The New Organisation dialog box is displayed next (figure 1.7). Type in the name of your organisation and the month from which you want to start entering data.

6. Close the New Organisation dialog box to begin using Aren Register.

Moving On

Before entering employee data you need to finish setting up the program. Section 2 explains how to do this. To enter

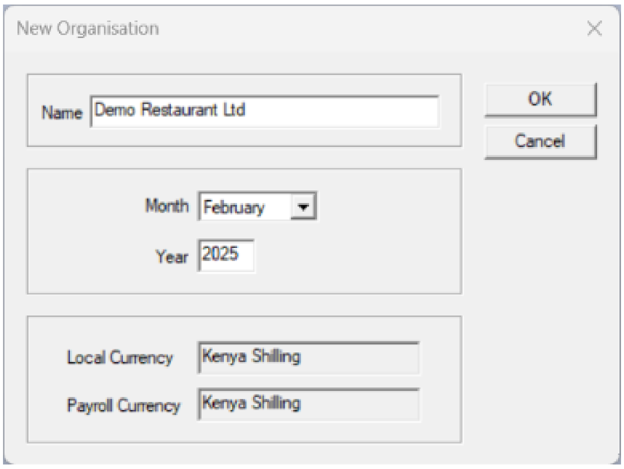

Figure 1.7: New Organisation dialog box

employee data refer to Section 3 which describes the employee data tables in Aren Register.

After entering employee data you can view the reports described in Section 4. With the exception of the muster roll and payroll variance, all reports can be printed out on A4 paper. Use the muster roll to export payroll data to an XML file in Microsoft Excel format.

To close the current data entry period and start a new one, run the month end procedure as described in Section 5. That section also describes how to back up and restore data and create bank transfer files.

2 Setting Up

Before entering details about employees, use the Organisation and System menus to configure the program. The Organisation menu options apply only to the organisation that you are currently working with whereas those of the System menu apply to all organisations that you define.

Setting up the System

Users

Aren Register supports an unlimited number of users. There is always at least one user, *supervisor*. The supervisor has access to all functions including adding and deleting other users and assigning such users access to program functions. By restricting users to only those parts of the program they need for their work, it is possible to enforce separation of duties.

If you wish to add new users at this stage, do the following:

1. Select Users from the System Menu. This displays the Users dialog box (figure 2.1).

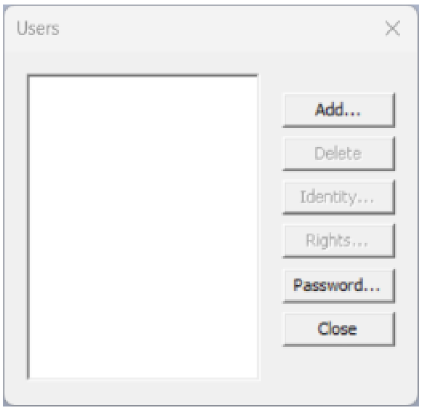

Figure 2.1: Users dialog box

2. Click on the Add button which brings up the User Identity dialog box (figure 2.2).
3. In the User Identity dialog enter the username. You may also enter the user's real name to help you identify him or her in future.

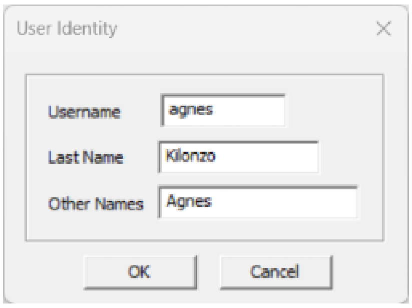

Figure 2.2: User Identity dialog box

4. Close the User Identity dialog and choose Rights from the Users dialog box. This displays the User Rights dialog box (figure 2.3).

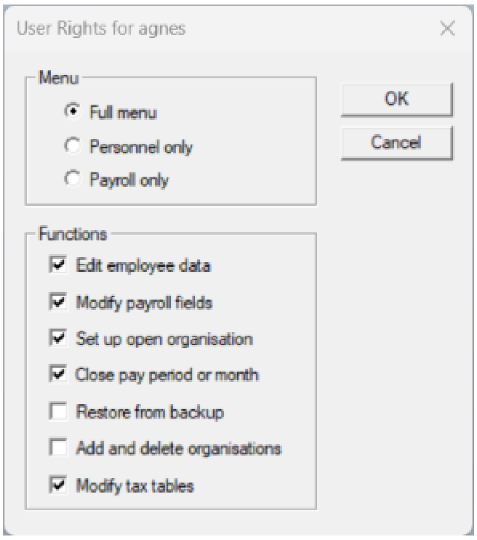

Figure 2.3: User Rights dialog box

5. Use this dialog box to select which menu the user should see: *full menu, personnel only* or *payroll only*. Also specify the functions within the selected menu that you would like the user to have access to.

6. Close the User Rights dialog box and choose Password from the Users dialog box. This brings up the Set Password dialog box (figure 2.4).

7. Enter and confirm the password if you wish. If you do not enter a password at this stage, the user will be required to enter one when logging in for the first time.

8. Close the Set Password dialog box. You can add more users by repeating the procedure above.

9. Click on Close in the Users dialog box.

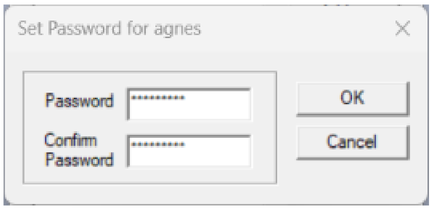

Figure 2.4: Set Password dialog box

Banks

Aren Register comes with a comprehensive list of banks and their branches. You will need this list for employees paid by bank transfer rather than in cash or by cheque. The list is shared by all organisations that you create. To review or modify it, select Banks from the System menu which will bring up the Bank and Branches dialog box (figure 2.5).

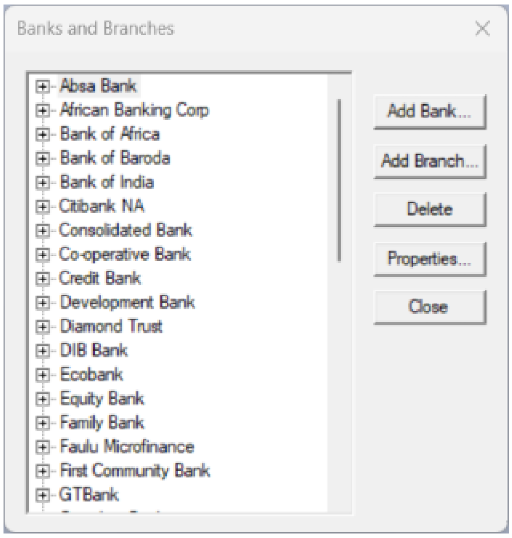

Figure 2.5: Banks and Branches dialog box

Statutory Deductions Parameters

PAYE is calculated using brackets and rates that are stored as a table. To view and update this table select Income Tax > PAYE Rates from the System menu (figure 2.6). Refer to the Kenya Revenue Authority (KRA) website for an up-to-date PAYE table.

The calculation of PAYE depends on a number of other parameters e.g. personal relief, insurance relief and allowable pension fund contribution. Update these parameters by selecting System > Income Tax > Other Parameters to open

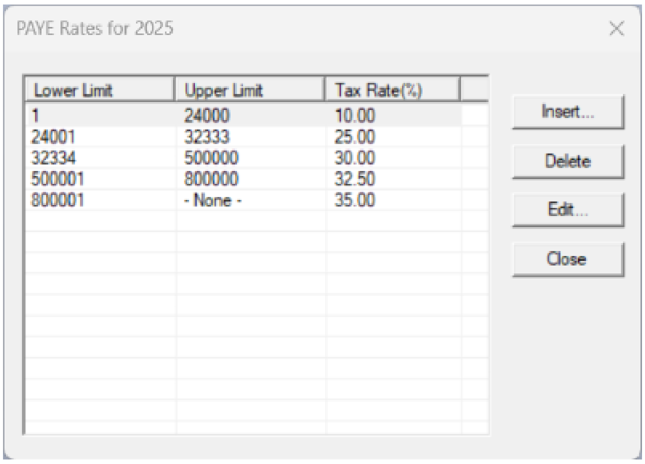

Figure 2.6: PAYE Rates dialog box

the Income Tax Parameters dialog box (figure 2.7). This dialog also allows you to edit the parameters used for calculating fringe benefit tax.

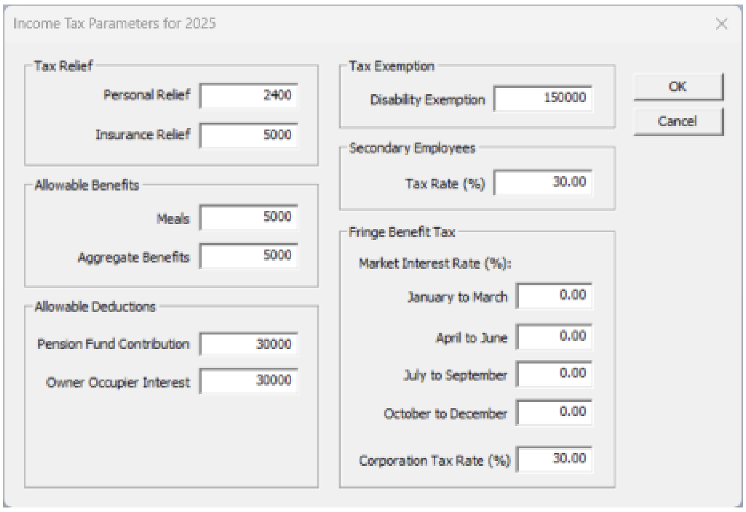

Figure 2.7: PAYE Parameters dialog box

NSSF contributions are a percentage of pensionable pay and are divided into two tiers. To enter this percentage and the pensionable pay limits for each tier, select NSSF Rates from the System menu. This opens the NSSF Rates dialog box (figure 2.8) where you can also edit the maximum voluntary contribution.

The payroll supports SHIF[1] which replaced NHIF as the mandatory health insurance deduction. The parameters for calculat-

[1] Social Health Insurance Fund

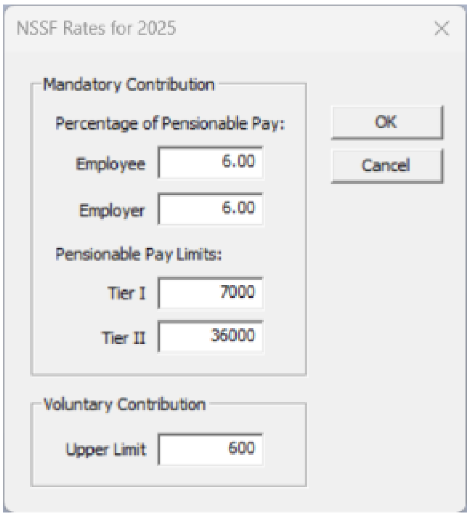

Figure 2.8: NSSF Rates dialog box

ing SHIF can be edited by selecting System > SHIF Parameters to open the SHIF Parameters dialog box (figure 2.9)

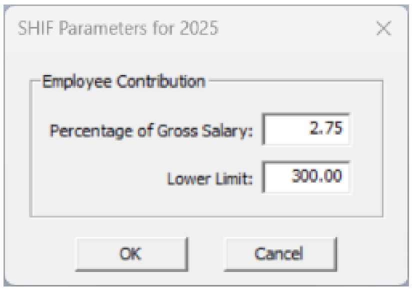

Figure 2.9: SHIF Parameters dialog box

Finally, to change the settings for housing and NITA levies, open the Statutory Levy Parameters dialog box (figure 2.10) by selecting System > Levy Parameters.

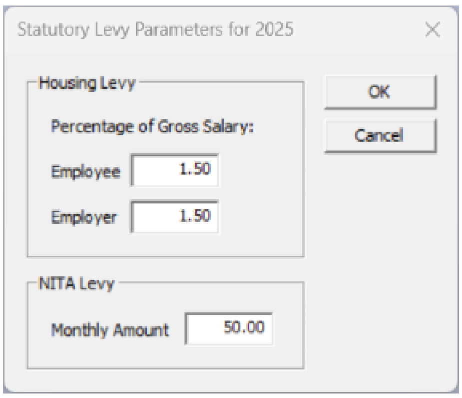

Figure 2.10: Statutory Levy Parameters dialog box

Adding a new Organisation

To add a new organisation select Add from the Organisation menu. Use the New Organisation dialog box that follows (figure 2.11) to enter the name of the organisation and the month from which you want to start entering data. On closing the dialog box, the previous organisation is closed and the new one opened.

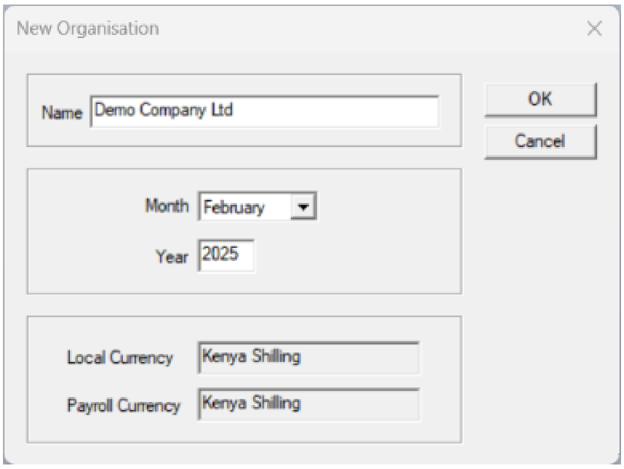

Figure 2.11: New Organisation dialog box

Opening another Organisation

To open a different organisation select Open from the Organisation menu. This will bring up the Open Organisation dialog box (figure 2.12) provided there are other organisations defined. Select the organisation you want to open from the dialog box.

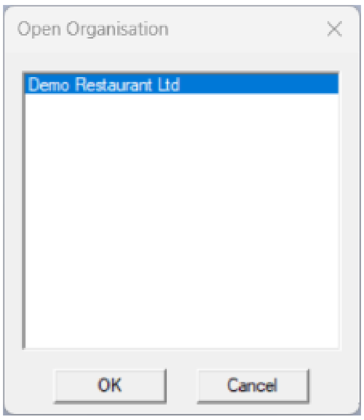

Figure 2.12: Open Organisation dialog box

Deleting an Organisation

You can delete any organisation that is currently not open. Deleting an organisation causes all its data files and folders to be deleted. It is strongly recommended that you back up the organisation's database file before deleting it (see Section 5).

To delete an organisation:

1. Select Delete from the Organisation menu. To minimise the risk of accidentally deleting an organisation you will be required to enter your password (figure 2.13).

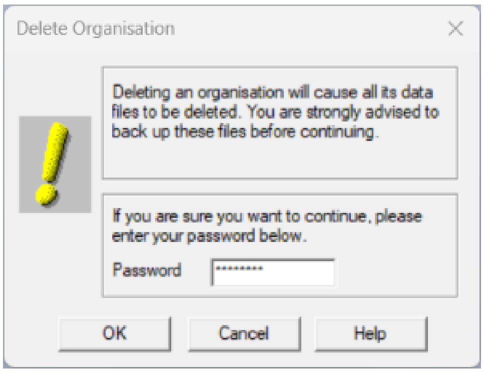

Figure 2.13: First Delete Organisation dialog box

2. Next, a list of all organisations in the system, excluding the one that is open, will be displayed (figure 2.14). Select the one you want to delete. Note that it is not possible to delete the organisation that is currently open.

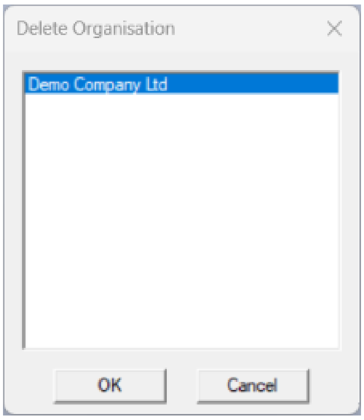

Figure 2.14: Second Delete Organisation dialog box

3. In the two message boxes that follow, confirm that you want to delete the selected organisation and destroy its data files.

4. Aren Register will then delete the organisation. A dialog box confirming that the deletion is complete will be displayed.

Setting up an Organisation

To configure the organisation that is currently open, proceed as follows:

Basic Organisation Information

Open the Basic Organisation Info dialog box (figure 2.15) from the Organisation menu and enter the organisation's address and telephone number.

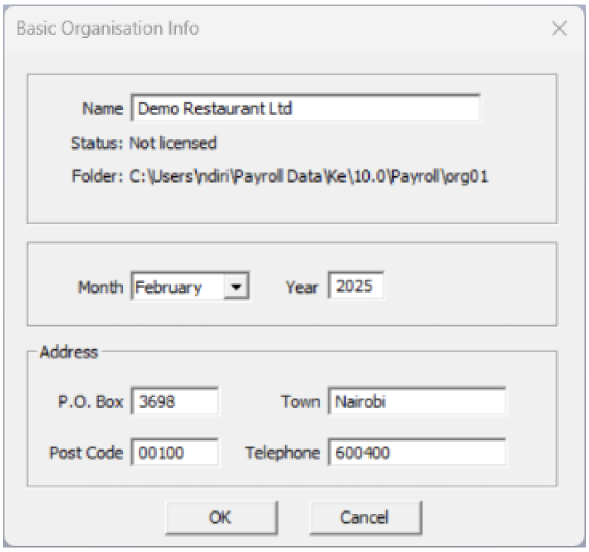

Figure 2.15: Basic Organisation Info dialog box

Also, confirm that you want to start entering payroll and leave details in the month and year shown in the dialog box. Once you run the first month end procedure you will not be able to edit either of them.

Licensing

Select Licence from the Organisation menu to open the Licence dialog box (figure 2.16). Type in the licence key supplied by your dealer. If you do not have a licence key, contact your dealer or Aren Software Ltd.

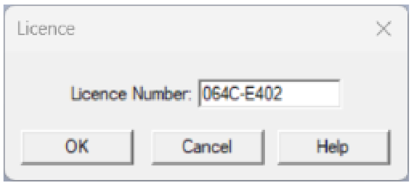

Figure 2.16: Licence dialog box

Payroll Info

Open the Payroll Info dialog box (figure 2.17) by selecting Payroll Info from the Organisation menu. Enter the bank, branch and account number for the organisation's salary account. Also enter the organisation's PIN, NSSF, NHIF, SHIF and HELB[2] numbers.

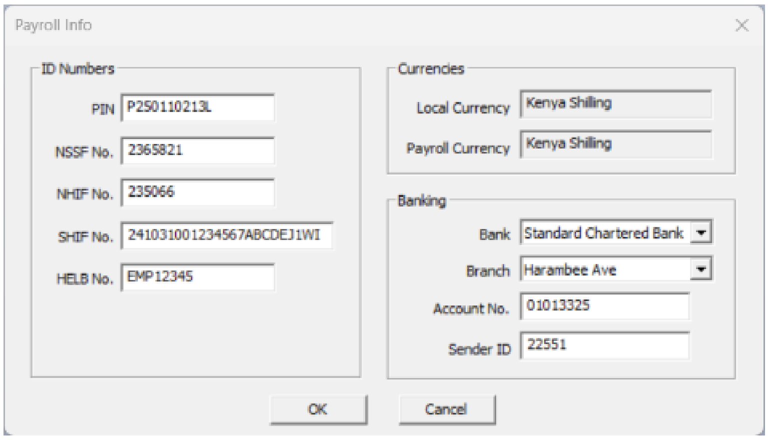

Figure 2.17: Payroll Info dialog box

In this dialog box, the Standard File Interchange (SFI) Sender ID applies to those who submit their payroll to the bank in electronic form. Leave this field blank if you do not already have an SFI Sender ID.

Grades

Aren Register assumes that all jobs that employees may be assigned to are graded or ranked. To set up the grades for your organisation select Grade from the Organisation menu. The Grades dialog box that follows (figure 2.18) allows you to specify the name, rank and salary range for each grade.

If your organisation has no grades, create only one grade called *(None)* and enter a salary range that will cater for all employees.

[2] Higher Education Loans Board

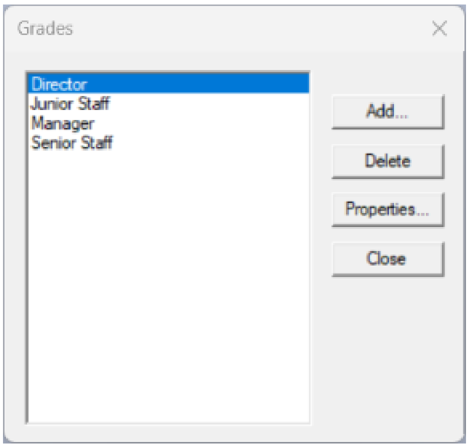

Figure 2.18: Grades dialog box

Jobs

To set up the jobs available in the organisation, open the Jobs dialog box by selecting Jobs from the Organisation menu. For each job you must enter the name of the job and its grade. You may also enter a brief description of the job for future reference.

Administrative Units

Set up the administrative units (departments, sections, etc) in your organisation. To do this select Units from the Organisation menu.

Posts

A post is a job that is attached to a specific administrative unit. Aren Register does not accept new employees unless there are vacant posts available.

In order to create posts you must create grades, jobs and administrative units first. To add posts select Posts from the Organisation menu which opens the Posts dialog box (figure 2.19). For each administrative unit and job you will need to specify how many permanent, contract, temporary and casual posts to allow.

Stations

Set up the stations (branches) in your organisation. To do this select Stations from the Organisation menu.

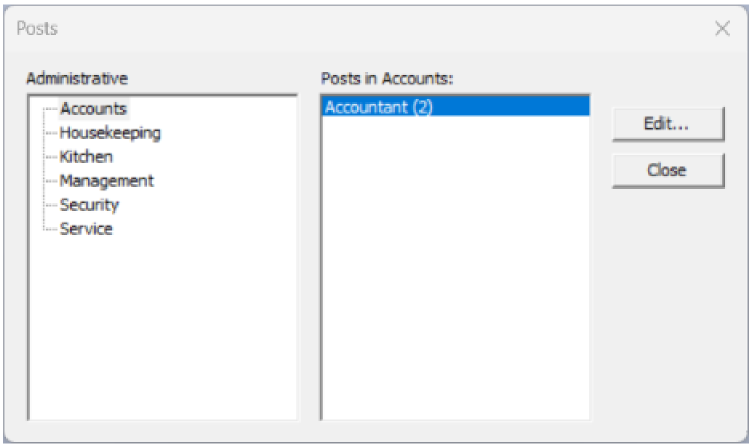

Figure 2.19: Posts dialog box

Pay Groups

Pay Groups allow you to filter payment reports according to how employees in your organisation are paid. For example, the bank transfer report could be filtered by bank branch or pay date.

To set up pay groups, select Pay Groups from the Organisation menu.

Co-operatives and Pension Funds

Create co-operative societies that employees in the organisation belong to by selecting Co-operatives from the Organisation menu.

Similarly, set up pension funds by selecting Pension Funds from the Organisation menu.

Insurance Companies

If you need to deduct and remit insurance premiums, set up the insurance companies involved by selecting Organisation > Insurance Companies.

Employee Profiles

An employee profile defines attributes that are common to a group of employees. These attributes are leave entitlement, pay frequency, basic pay type (i.e., salary, daily rate or hourly rate), standard working hours (per day and per month) and whether overtime is payable.

To create a profile, select Profiles from the Organisation menu to open the Employee Profiles dialog box (figure 2.20). If there is an employee profile marked as default, all new employees added to the payroll will be assigned this profile.

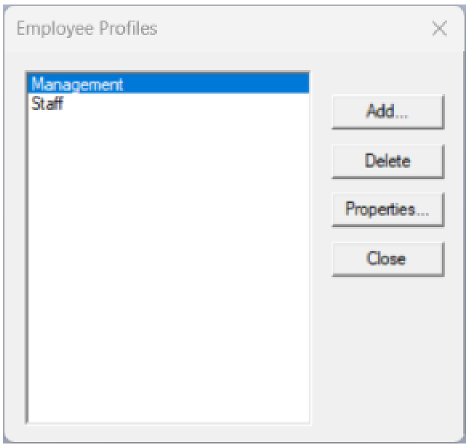

Figure 2.20: Profiles dialog box

General Options

Selecting Options > General from the Organisation menu opens the General Options dialog box (figure 2.21). This dialog box allows you to choose the sort order for employee data entry forms. It also allows you to activate the Open Table dialog box used for filtering form data by administrative unit, station or pay group.

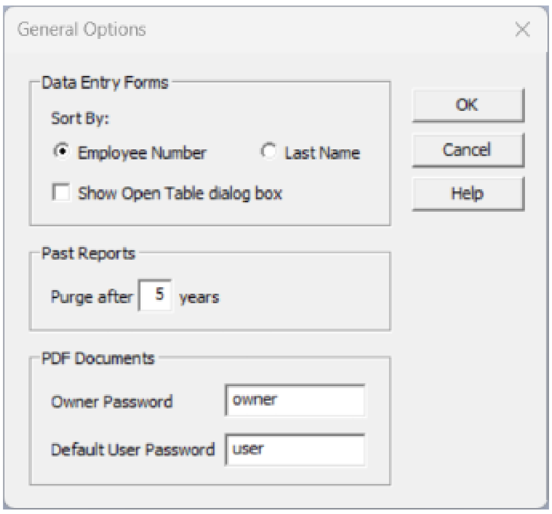

Figure 2.21: General Options dialog box

You can also specify when to purge old reports. Deleting old reports saves space on the hard disk and reduces the size of backup files.

In the PDF documents section you can edit the following passwords.

1. *Owner Password:* This password allows you to open any PDF documents that you send by email. It should not be disclosed to employees.

2. *Default User Password:* Employees use the user password to open PDF documents sent to them. It is usually set to the last four digits of the employee's PIN. Where the PIN is missing, the default value you enter here is used instead.

Payroll Options

Selecting Options > Payroll from the Organisation menu brings up the Payroll Options dialog box (figure 2.22).

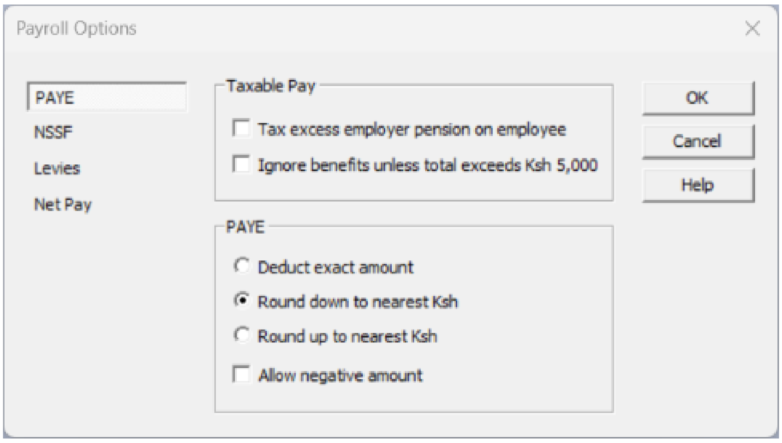

Figure 2.22: Payroll Options dialog box

Taxable Pay

If your organisation is tax-exempt you are required to treat the employer's pension contribution as a taxable benefit. Select the option to tax excess employer pension on employees.

KRA's online tax administration system, iTax, does not tax benefits unless they total to more than Ksh 5,000. By default, Aren Payroll taxes all non-cash benefits regardless of their total. For it to work like iTax you must check the option *Ignore benefits unless total exceeds Ksh 5,000.*

PAYE

By default, PAYE is rounded down to the nearest shilling. To match the iTax system, you should select the option to deduct the exact amount of PAYE.

For employees who are paid more than once a month, it is possible though unlikely for the PAYE amount for a particular pay period to be negative. To avoid this, uncheck the option to allow negative PAYE.

NSSF

If your organisation has opted out of Tier II NSSF contributions, select whether to deduct Tier II NSSF selectively or not all.

Housing Levy

If you would like to turn off housing levy for the whole organisation, uncheck the option to deduct housing levy. By default, housing levy is rounded to the nearest shilling. To match the iTax system, select the option to deduct the exact amount of housing levy.

NITA Levy

If your organisation pays NITA Levy for its employees, check the option *Pay NITA Levy*. An annual report showing the amount payable for each employee will be generated.

Net Pay

Finally, you have the option to round down net pay for employees paid in cash by an amount that you specify. The excess amount is carried forward to the next month.

Logos

Selecting Options > Logos from the Organisation menu brings up the Logos dialog box (figure 2.23). This dialog box allows you to select image files with the organisation's logo for use in payslips. These files must be in the *images\logos* folder located within the organisation folder.

For printed payslips you can select a PNG or JPEG file. PNG images are typically sharper than JPEG ones but they occupy more space.

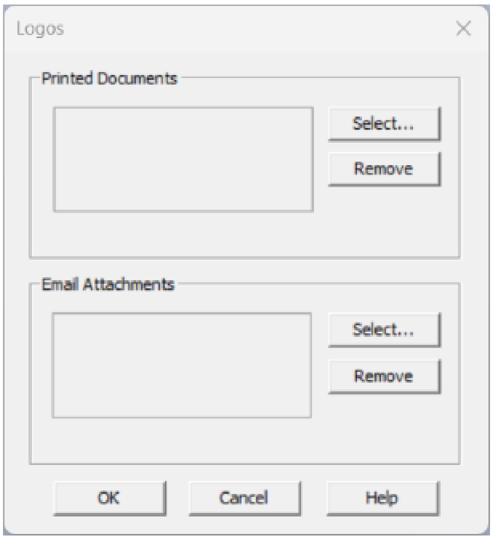

Figure 2.23: Logos dialog box

Select a JPEG file for payslips that are sent as email attachments in PDF format. Attachments are restricted to 64 KB so the logo file must be well below that size.

3 Data Tables

Data for each employee is stored in four data tables—*personnel*, *payroll master*, *payroll transactions* and *absence and leave*. This data is used to create various personnel and payroll report tables which are then used for report generation.

Personnel Table

The personnel table stores personal information about each employee, for example name, national ID number, date of birth and nationality. It also stores information about employees' jobs such as job title, grade, administrative unit, station and leave entitlement.

Employees can only be added and removed from the system through the personnel table. The employees in this table automatically appear in the payroll master, payroll transactions and absence and leave tables.

The personnel table is accessed by selecting Personnel from the File menu. This brings up a data entry form in which you enter data for each employee (figure 3.1).

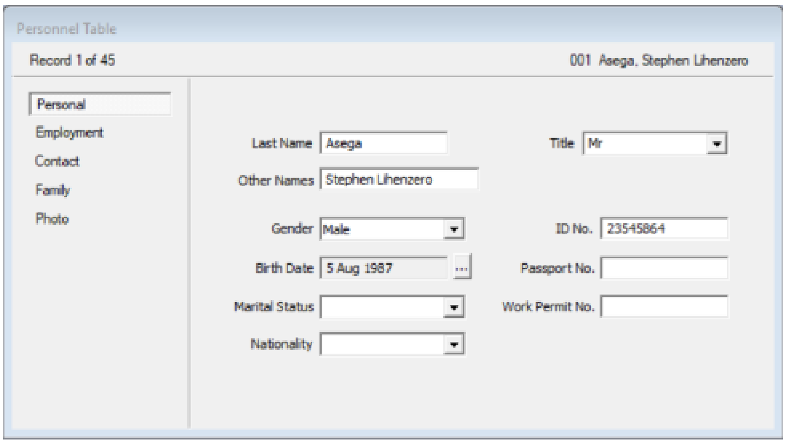

Figure 3.1: Personnel Table form

Most of the fields in the table are optional. However, Employee Number, Last Name, Other Names, Post and Station are mandatory. The optional fields are used in various reports and should therefore not be left blank.

Adding and Deleting Employees

Employee records are added and removed from the personnel table using the Add, Delete and Terminate commands in the Record menu.

Deleting an employee record is only possible if no month end procedure has been run since it was added. After deleting a record, no report will retain information relating to that employee. This option is provided to allow records added by mistake to be expunged.

Terminating an employee will cause his record to be removed from the personnel table in due course. However, various personnel and payroll reports will retain details of that employee for future reference. Section 5 describes the termination process in detail.

Payroll Master Table

Both the payroll master and payroll transaction tables store payroll information about each employee. The former maintains information that tends to remain the same over time while the latter maintains information for a single pay period and this tends to change more frequently.

The data in the payroll master table includes pay frequency, basic pay, bank account number, PIN, co-operative membership and housing status.

To open the payroll master table, select Payroll Master from the File menu. This brings up the Payroll Master Table data entry form (figure 3.2).

Payroll Transactions Table

The payroll transactions table stores earnings, deductions, benefits, lump sum payments and refunds for each employee for the current month.

Earnings (or *monthly cash earnings*) are those cash payments that relate to the current month e.g. basic pay or leave allowance.

Benefits refers to private expenditure of an employee paid by the employer e.g. school fees, house rent or telephone bills. These non-cash benefits are considered as income for tax purposes.

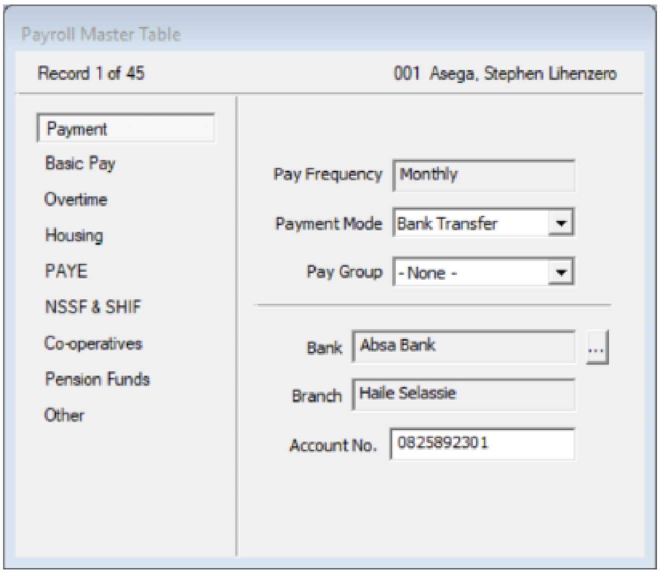

Figure 3.2: Payroll Master Table form

Deductions are those amounts deducted from an employee's cash earnings by the employer. Some of these are called *statutory deductions* because the law requires the employer to deduct them from the employee's pay. The statutory deductions are PAYE, NSSF, SHIF, housing levy and tax on lump sum payments.

Lump sum payments are those cash payments that do not relate to the current month alone. Some like gratuity and bonuses have accrued over past months while others like terminal benefits may relate to past or future months. We make the distinction between lump sum payments and monthly cash earnings because the two are treated differently when calculating income tax.

Refunds are payments made to an employee, e.g. travelling or subsistence allowances, for business expenses incurred while on duty. These payments are not income and are therefore not taxable.

The payroll transactions table is accessed by selecting Payroll Transactions from the File menu. This displays a data entry form (figure 3.3) where you enter earnings, deductions, benefits, lump sum payments and refunds for each employee.

Statutory deductions and other calculated amounts such as taxable pay, net pay and gross pay are updated as data is entered. This makes the calculations more transparent and helps to reduce data entry errors.

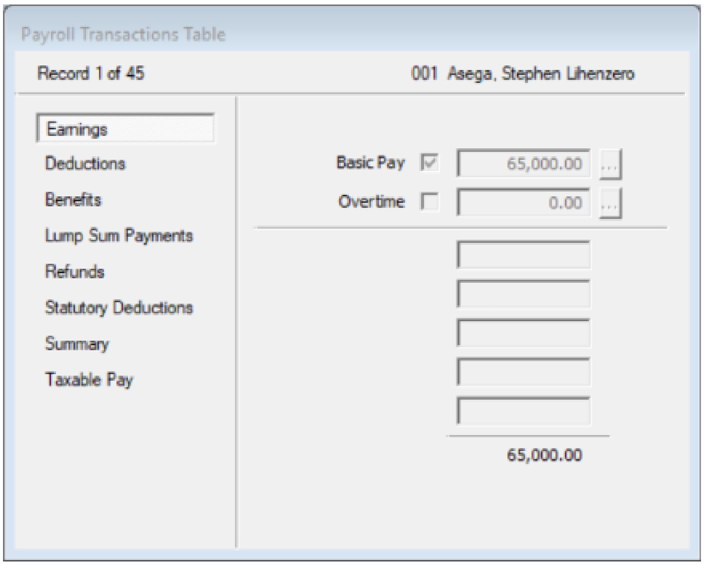

Figure 3.3: Payroll Transactions Table form

You can suspend employees from the payroll by deleting them from the payroll transactions table (Record > Remove). To restore a suspended employee use the Record > Add command.

Payroll Fields

At installation, each payroll transactions table has two earnings (Basic Pay and Overtime), three deductions (Rent, Overdraft Recovery and Rounding C/F), one non-cash benefit (Employer Pension) and one refund (Rounding B/F). These fields cannot be deleted but you can add more according to your needs.

To add, delete or edit fields, select Earnings, Deductions, Benefits, Lump Sum Payments or Refunds from the File menu. A data entry form will be displayed showing the field attributes listed below (figure 3.4). To add or delete fields select Add or Delete from the Field menu.

The following field attributes apply to all fields:

1. *Field Name:* The name of the field e.g. advance, shift allowance.

2. *Type:* This is used to indicate permanent fields (e.g. basic pay and rent). It is also used to specify fields that are calculated in a unique way (e.g. hourly pay and daily pay) and those that are associated with a balance that is updated and displayed by the system (e.g. loan repayments and co-operative contributions). The type

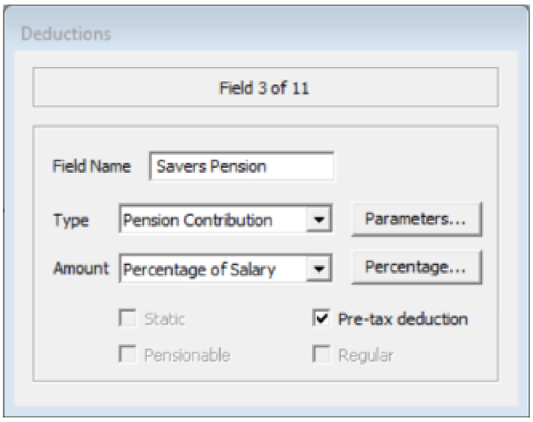

Figure 3.4: Deductions form

advance is used to indicate advance payments so that appropriate reports can be generated.

3. *Amount:* This attribute specifies how the amount paid to or deducted from each employee is arrived at. It may be keyed in, a percentage of salary, a function of the time worked (basic pay, overtime, hourly pay and daily pay) or amortised (loan repayments).

4. *Static:* Static fields retain their value when the month end procedure is run, whereas non-static fields are reset to their lower limit. This is only important for fields that are keyed in. It saves you the trouble of having to key in the amount earned or deducted each time the month end procedure is run.

5. *Taxable/Pre-tax deduction:* For earnings, the taxable attribute specifies whether or not the payment is subject to PAYE. Unless prior permission has been given by the KRA, all income (i.e. earnings, non-cash benefits and lump sum payments) must be taxed. Refunds are not taxable as they are not a form of income.

   The pre-tax deduction attribute indicates those deductions to be subtracted from gross income when calculating PAYE. In Kenya pre-tax deductions include NSSF and other pension fund contributions, SHIF, housing levy, and mortgage interest payments.

6. *Pensionable:* NSSF is calculated on the total pensionable earnings. Uncheck the pensionable option to exclude any earning from this calculation.

7. *Regular:* SHIF and housing levy are calculated on basic pay plus all regular allowances. Any earnings not marked

as regular are not subjected to either deduction.

Depending on the selection for *Type* and *Amount* attributes the following additional attributes may be available:

1. *Co-operative:* The name of the co-operative associated with the field (figure 3.5).

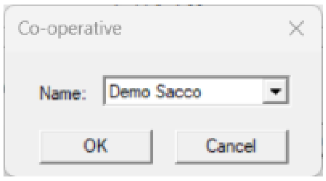

Figure 3.5: Co-operative dialog box

2. *Pension Fund:* The name of the pension fund and other details pertaining to the current field (figure 3.6).

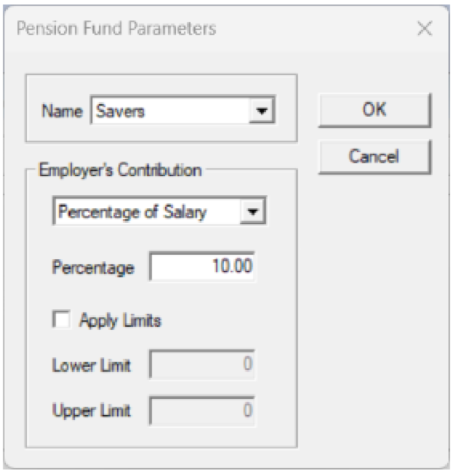

Figure 3.6: Pension Fund Parameters dialog box

3. *Insurance:* The name of the insurance company associated with the field.

4. *Limits:* The upper and lower limits that the amount paid or deducted should be restricted to (figure 3.7).

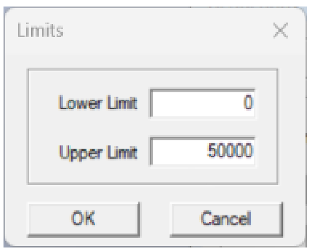

Figure 3.7: Limits dialog box

5. *Percentage:* The percentage of monthly salary that should be paid or deducted (figure 3.8).

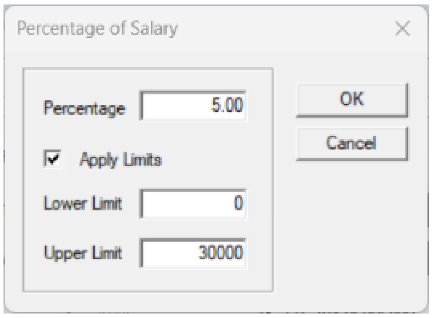

Figure 3.8: Percentage of Salary dialog box

6. *Hourly Rate:* The hourly rate to use for earnings that are of the type Hourly Pay (figure 3.9).

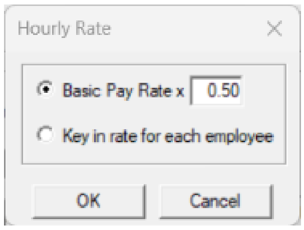

Figure 3.9: Hourly Rate dialog box

7. *Daily Rate:* The daily rate to use for earnings that are of the type Daily Pay.

Absence and Leave Table

The absence and leave table stores details about employees' absence from work in the current year. This information is expressed in terms of absence event records.

In addition, the table keeps an account of annual leave earned and used up by each employee during the year. It uses leave event records to track the leave days brought forward from the previous year and leave days earned, sold and forfeited since then. Leave taken is treated as an absence event.

The absence and leave table can also be used to track employees' leave bookings.

To edit this table select Absence and Leave from the File menu (figure 3.10). The Absence and Leave window has three pages, i.e., Absence, Annual Leave and Leave Bookings. To edit or delete an event in any page, first select it and then click on the Edit or Delete button. To add a new event, switch to the appropriate page and then click on Add.

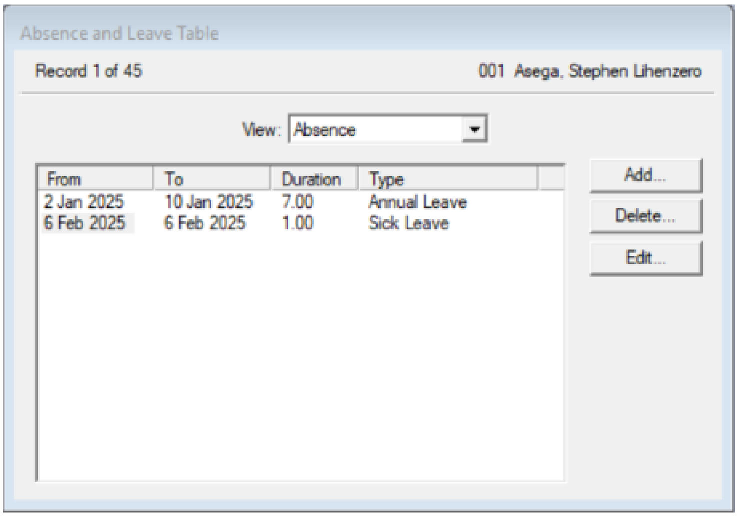

Figure 3.10: Absence and Leave window

If you do not wish to track absence and leave for a particular employee, you can remove them from the absence and leave table. Open the Personnel Table form and select the Employment tab. Uncheck the option to track abscence and leave.

4 Reports

Aren Register produces several personnel and payroll reports as described below. These reports can be viewed on the screen and printed out. You can choose to print the entire report, a range of pages, or just the page that you are currently viewing. Internal reports can be sorted by either employee number or name.

You can view and print reports for current as well as past months and years. You can also filter most reports by administrative unit, station, pay group, bank, co-operative or pension fund.

Reports may be printed on any printer connected to your computer either directly or through a local area network. Because all reports are formatted for A4 paper, the printer must be set to print on A4.

1. To open a report select it from the Report menu and then follow the on-screen instructions. For example, selecting Report > Payslips opens the Open Payslips dialog box (figure 4.1).

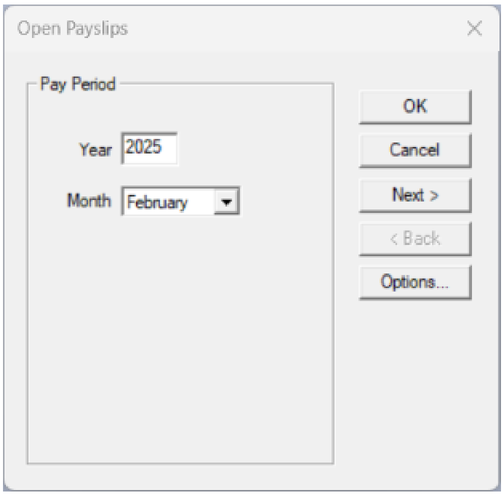

Figure 4.1: Open Payslips dialog box

2. To print the open report select Print from the File menu which brings up the Print dialog box (figure 4.2). Use the Setup button in this dialog box to configure the printer you want to use.

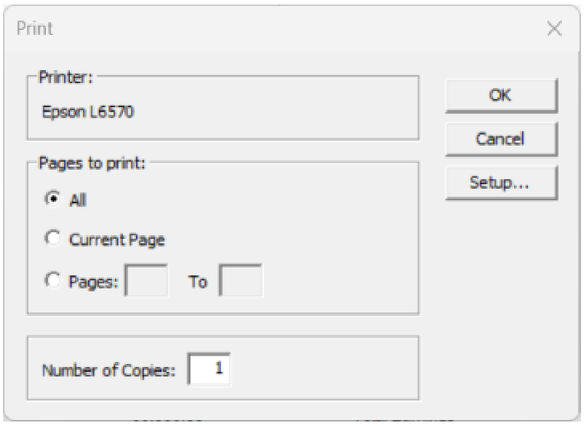

Figure 4.2: Print dialog box

3. Choose Close from the File menu to close the report.

Personnel Reports

1. *Posts By Type:* List that shows the number of permanent, contract, temporary and casual posts in each administrative unit of the organisation.
2. *Posts By Status:* List that shows the number of occupied and vacant posts in each administrative unit of the organisation.
3. *Employees Roll:* List of employees who are currently active. It shows their job title, administrative unit and station.
4. *Joiners Roll:* List of employees who joined the organisation recently. It shows their job title, administrative unit, station and start date.
5. *Leavers Roll:* List of employees who left in a given year. It shows their final job title and administrative unit, the date they left and the reason for leaving.
6. *Employee Hierarchy Report:* List of employees grouped according to whom they report to. Employee names are indented to show the reporting hierarchy. The report also displays the job tile, administrative unit and station for each employee.
7. *Length of Service Report:* List of current employees showing their job title, age and length of service.
8. *Employment Status:* List of current employees showing

their job title, start date, contract end date and employment status.

9. *Emergency Contact Report:* List showing each employee's next of kin, their relationship and the contact details.
10. *Master Report:* Report that shows the details of a single employee as entered in the personnel and payroll master tables. It is available for both current and former employees.
11. *Absence by Employee:* List of actual and planned absences from work grouped by employee.
12. *Absence by Date:* List of actual and planned absences from work in chronological order.
13. *Absence Sheet:* This report lists, for a single employee, all absence from work in a given year.
14. *Annual Leave Sheet:* This report gives, for a single employee, a detailed account of leave earned and used up in a given year.
15. *Absence Analysis:* List of employees that gives a summary of all absence from work for a specified year.
16. *Leave Analysis:* List of employees that gives a summarised account of leave earned and used up in a given year.
17. *Leave Liability:* List of employees showing their outstanding annual leave days and the cash equivalent.

Reports on former employees, absence and leave cover a calendar year. Reports for previous years can be viewed and printed out, but they cannot be modified in any way. Before running the month end for December make sure that you verify these reports.

The remaining reports, i.e. those on posts and current employees, indicate the state of the organisation at the time of printing.

Monthly Payroll Reports

The monthly payroll reports relate to a single month. Reports for the current month are updated as you update the employee data tables. Reports for previous months can be viewed and printed out, but they cannot be modified in any way.

Overview Reports

1. *Payroll Summary:* Summarises earnings and deductions for all employees.
2. *Payroll Control Account:* T-account listing total earnings, deductions and net pay for all employees in the organisation.
3. *Muster Roll:* List of employees showing all earnings, lump sum payments, refunds and deductions for the month. Records in this report can be grouped by administrative unit or station.
4. *Payroll Variance:* List of employees showing the differences in the payments and deductions made in any two pay periods. It is essentially the difference between the muster rolls for the two pay periods.
5. *Gross Pay By Unit:* List of administrative units showing the staff count and total gross pay for each.
6. *Gross Pay By Station:* List of stations showing the staff count and total gross pay for each.

The muster roll and payroll variance can be viewed on the screen or saved to an XML file but they cannot be printed out.

Detail Reports

1. *Earning Report:* List showing, for a particular earning, how much each employee was paid.
2. *Deduction Report:* List showing, for a particular non-statutory deduction, how much each employee was deducted. Depending on the type of deduction selected, a loan or HELB report may be printed instead.
3. *Loan Report:* List of employees repaying a specific co-operative or company loan. It shows the opening and closing balances and a breakdown of the repayment amount into interest and principal components.
4. *HELB Report:* List showing the HELB Repayment Schedule in the format previously used for filing returns to HELB. HELB returns should be filed on their website using the return file available under Procedure > HELB Schedule.

5. *Benefit Report:* List showing, for a particular non-cash benefit, how much each employee received.

6. *Lump Sum Report:* List showing, for a particular lump sum payment, how much each employee received.

7. *Refund Report:* List showing, for a particular refund, how much each employee received.

Payments to Employees

1. *Payslips:* Slip giving a breakdown of the earnings and deductions of each employee separately (figure 4.3). The employer's pension contribution and the pension fund balance can be shown in the payslip if required. When the balance is shown, it includes the employer's portion only if the option to print the employer contribution has been selected.

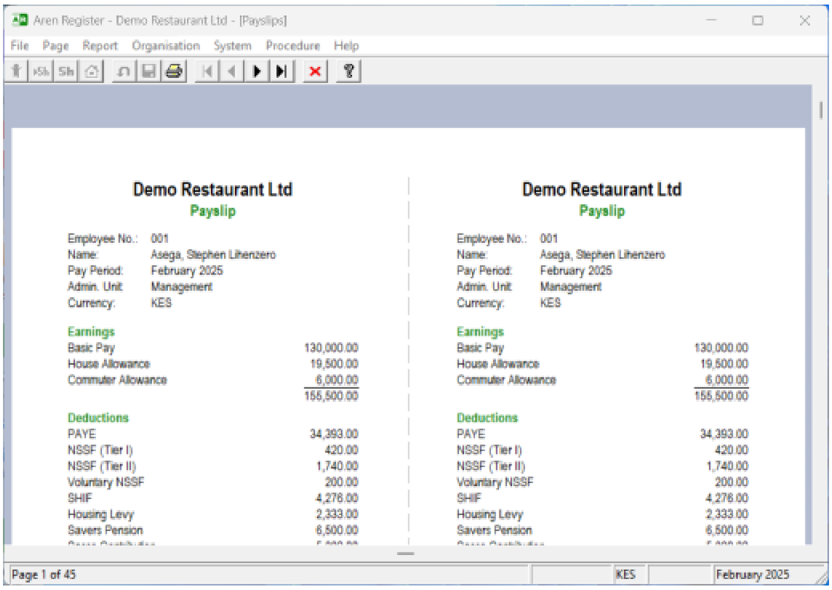

Figure 4.3: Payslips

2. *Cash List:* List of employees paid in cash showing their employee number, name, net pay or advance payment and a cash analysis of the payment amount.

3. *Cheque List:* List of employees paid by cheque showing their employee number, name and net pay or advance payment.

4. *Bank Transfer Report:* List of employees who are paid by bank transfer showing their name, ID number, bank,

branch, account number and payment amount. The payment amount may be the net pay, an advance payment, a bank loan repayment or a HOSP contribution.

5. *Coinage Summary Report:* List showing the number of coins and notes of each denomination that are required for workers who are paid in cash. This information is the same as the totals in the cash list but formatted so that it can be used when withdrawing the cash from a bank.

Statutory Returns

1. *PAYE Report:* List of employees showing their PAYE deductions. To generate the equivalent iTax return file, go to Procedure > iTax Files > Employee Details.
2. *NSSF Report:* List of employees showing NSSF number, ID number and the combined employer and employee tier I and tier II contributions. Voluntary contributions are also shown.

   The NSSF return file is available under the Procedure menu (Procedure > NSSF return > Self Service). This generates an XML file which should be opened with Microsoft Excel and saved again as an Excel file.
3. *NHIF Report:* List of employees showing NHIF number, ID number, date of birth and NHIF deduction.
4. *SHIF Report:* List of employees showing ID number, KRA PIN, NHIF number, contribution amount and phone number. To generate the equivalent SHIF return file, select Procedure > SHIF Return. This saves an XML file that should be converted into a Microsoft Excel spreadsheet.
5. *Housing Levy Report:* List of employees showing PIN, gross salary and housing levy payable. The equivalent iTax return file is available under Procedure > iTax Files > Housing Levy.
6. *Lump Sums Tax Report:* List showing tax payable on lump sum payments for each employee.
7. *Fringe Benefit Tax Report:* List showing tax payable on the fringe benefit arising from company loans issued at an interest rate below the KRA prescribed market interest rate. The equivalent iTax return file is available under Procedure > iTax Files > Fringe Benefit Tax.

Other Returns

1. *Co-operative Report:* List of members of a particular co-operative society showing membership number, monthly contribution and any other payroll deductions to be paid to that co-operative.
2. *Pension Report:* List of members of a particular pension fund showing membership number and employer and employee contributions to that pension fund.
3. *Insurance Company Return:* List of employee premium deductions to be paid to a particular insurance company.

Annual Payroll Reports

Annual payroll reports relate to a calendar year and are available throughout the year. For the current year, the information displayed relates to the months that have elapsed so far. The reports are:

1. *Payroll Control Account.*
2. *Muster Roll.*
3. *Annual Pay Sheet:* A report that, for each employee, gives a summary of payments, deductions and benefits for a whole year.
4. *P9A:* KRA form titled *Tax Deduction Card*. Each P9A gives a breakdown of the income of an employee for each month of the year and shows the amount of tax deducted.
5. *P10:* KRA form titled *Employer's Covering Certificate*. It shows the tax deducted by the employer for each month of the year.
6. *P10A:* KRA form titled *Supporting List for End of Year Certificate*. It lists the annual income and total tax deducted for each employee.
7. *NITA Levy Report:* List showing the NITA levy payable for each employee in the payroll.
8. *NSSF Statement:* A summary of an employee's standard and voluntary contributions to NSSF for a calendar year.
9. *NHIF Statement:* A summary of an employee's NHIF deductions for a calendar year.
10. *SHIF Statement:* A summary of an employee's SHIF deductions for a calendar year.

Other Reports

1. *Bank Codes:* A listing of banks, bank branches and their sort codes drawn from the bank data tables.
2. *Audit Trail:* List that shows the date and time of each login, backup, month end procedure and any other major event. It also shows the user responsible for each event. This report is only available to the supervisor.

Report Tables

Almost all reports are printed from report tables, not directly from the employee data tables. Briefly, the report tables are:

1. Active employees report table
2. Annual leavers report tables
3. Annual absence and leave report tables
4. Monthly payroll report tables
5. Annual payroll report tables

Report tables are updated automatically by Aren Register. Use the General Options dialog box (Organisation > Options > General) to specify how long to keep these tables for.

5 Procedures

Backing Up

If any of your organisation database files is accidentally deleted or corrupted you could lose all the data for that organisation. Without an up-to-date backup you would be forced to key in the data for the current month again. It is also likely that you would be unable to recreate data for previous months and years. It is therefore very important that you make regular backups of your database files.

To back up the database file for the organisation that is currently open, select Back Up from the Procedure menu. You will be prompted to specify the name and location of the backup file to be created (figure 5.1).

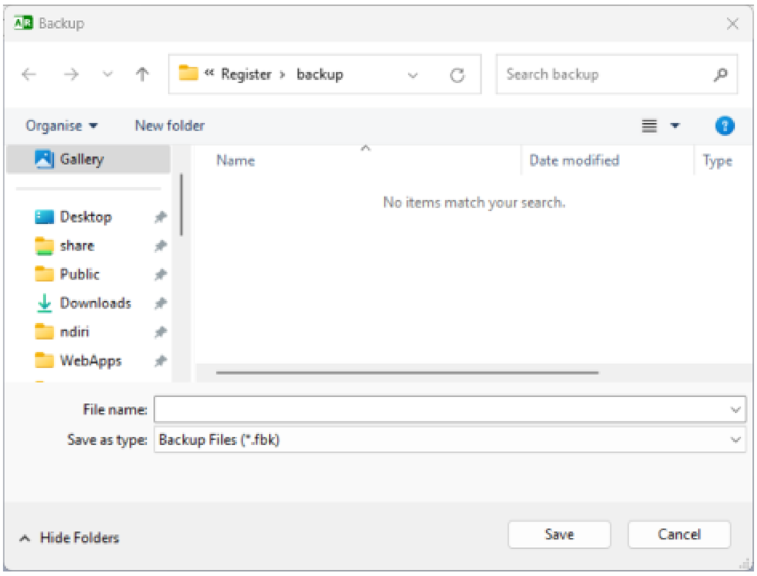

Figure 5.1: Backup dialog box

The backup process copies all data relating to the organisation to the backup file. Should you have set up more than one organisation, you will need to back up each one separately. Note that data that is shared by all organisations is not backed up (e.g. list of banks and statutory deductions parameters).

When running the month end procedure you will be prompted to back up. Though you can choose to proceed without doing so, it is recommended that you back up first. To encourage regular back ups Aren Register prompts you to back up each time you exit.

Restoring from Backup

In the event that an organisation database file is corrupted or deleted, you will need to replace it from backup. You can also use backup files to revert to an earlier month. This is especially useful if you accidentally run the month end procedure.

To restore an organisation database file from backup, select Restore from the Procedure menu then follow the on-screen instructions (figure 5.2).

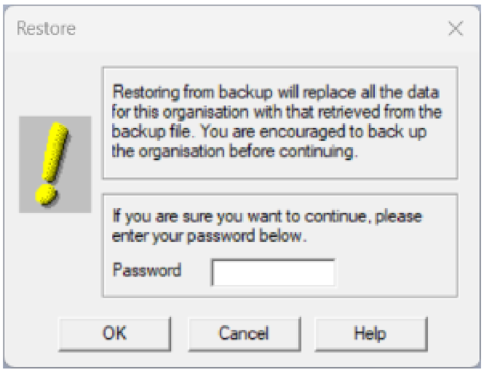

Figure 5.2: Restore dialog box

Creating a Bank Transfer File

A bank transfer file is an electronic version of the bank transfer report. It is used by banks to process payments for employees paid by bank transfer in place of the printed bank transfer report. Aren Register can create bank transfer files for numerous banks e.g. Absa, Co-operative, Equity, KCB and Standard Chartered.

1. To create a bank transfer file select Bank Transfer File from the Procedure menu.
2. In the Bank Transfer File dialog box that appears (figure 5.3), specify the format of the bank transfer file to create and the name of the payment field (usually net pay). Depending on the file format, you may be able to specify the date you want the bank transfer effected.

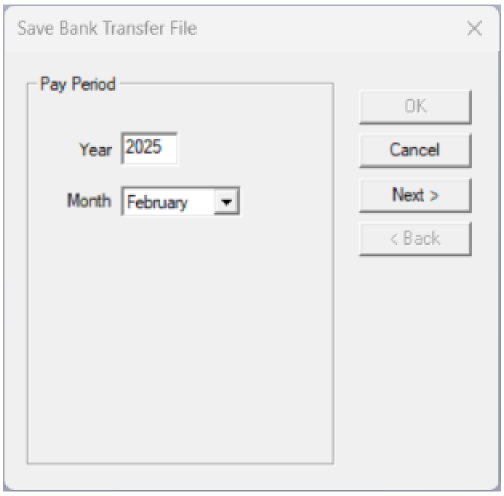

Figure 5.3: Save Bank Transfer File dialog box

3. On closing the Bank Transfer File dialog box, a standard Save As dialog box will appear. Use this dialog to specify the name and location of the file to be created.

For further details on bank transfer files please contact your bank.

Saving iTax Files

iTax files are text files containing tax details for employees in the payroll. These files help you to fill out the iTax spreadsheet (*P10_Return.xlsm*) that is used for filing tax returns on the KRA website.

Four formats are available—Employee Details, Disabled Employee Details, Fringe Benefit Tax Details and Housing Levy Details. Data exported in these formats should be imported into the corresponding tabs of the iTax spreadsheet.

1. To save the Employee Details file, select iTax File > Employee Details from the Procedure menu.
2. In the Save Employee Details File dialog that is displayed (figure 5.4), select the month and year you want.
3. By default only employees who have paid PAYE in the selected month will be included in the file. If you wish to include those with zero PAYE as well, click on Next and select the option *Include all employees.*
4. On closing the Save iTax Employee Details File dialog box, a standard Save As box will appear. Use this dialog

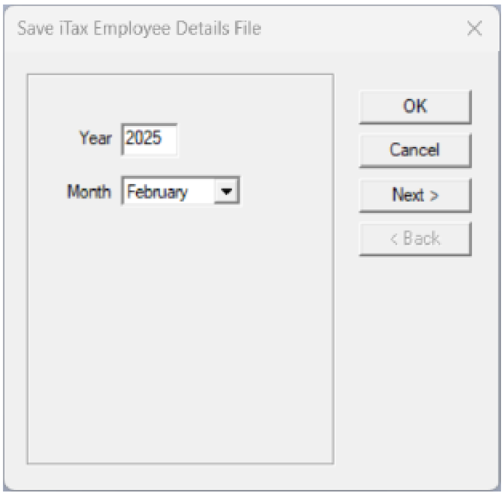

Figure 5.4: Save iTax Employee Details File dialog box

to specify the name and location of the file to be created.

Files in any of the other formats can be created in the same manner. For further assistance with iTax please contact the KRA.

Terminating an Employee

To terminate an employee, open the personnel table and display the target employee. Next, select Terminate from the Record menu. In the Terminate dialog box that appears (figure 5.5), enter the termination date, the reason for leaving and, if you like, some brief comments.

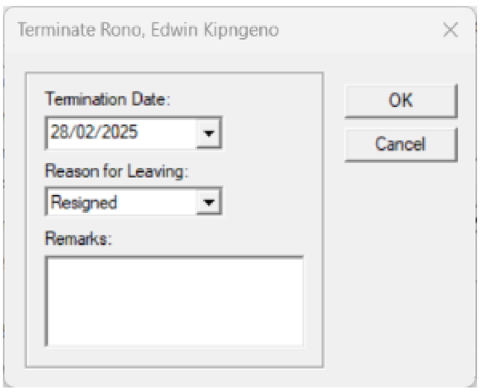

Figure 5.5: Terminate dialog box

The terminated employee will be removed from the employee data tables in the next month end procedure that is later than or on the same day as his termination date. Once the employee is deleted from the employee data tables his record will be added to the leavers report table.

Termination can be reversed by selecting Record > Undo Termination as long as the terminated employee has not been removed from the employee data tables.

Closing the Month

The month end procedure is used to close data entry for the current month and begin a new one. It applies only to the organisation that is currently open. It does the following:

1. Saves payroll information for the current month to the monthly and annual payroll report tables.
2. Deletes the current payroll transactions table and creates a new one for the coming month.
3. Advances the date by one month.
4. If the new month is January, it creates statutory deduction tables for the new year, deletes the existing absence and leave table and creates a new one for the new year. The leave balance from the previous year is brought forward.
5. Adds leave earned in the new month to the absence and leave table.
6. Transfers terminated employees from the personnel table to the leavers report table.
7. Deletes any report tables that have exceeded the maximum age set in the General Options dialog box.

Note that in December the month end procedure cannot be run if there are outstanding leave bookings for the year that is ending.

To run the procedure:

1. Select Month End from the Procedure menu. This option is only available if you have licensed the organisation.
2. After reading the dialog box that appears (figure 5.6), confirm that you want to close the month by entering your password.
3. You will now be prompted to back up your data and are strongly encouraged to do so.

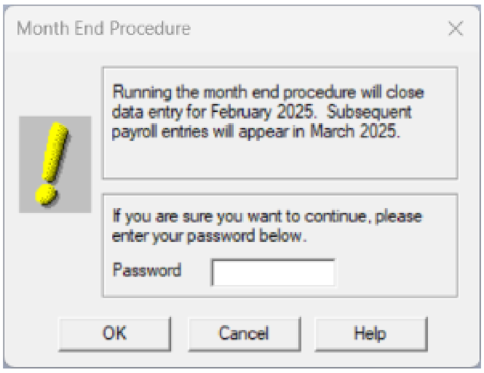

Figure 5.6: Month End Procedure dialog box

4. Once the back up is complete, the month end procedure will automatically follow. Eventually, a message box confirming its completion will appear.

The Month End Procedure should be run with care since it cannot be reversed except by restoring from backup. This is especially true in December when it will close entry of absence and leave data for the year that is ending.

Appendix A Importing Data

Keying in new employees into the payroll can be very time consuming especially if there are many of them. As an alternative, you can import employee data into the personnel table from a text file.

The easiest way to create the input text file is to capture employee data in a spreadsheet and then save the spreadsheet as a text file.

File Format

The format of the input text file is as follows:

1. Plain text with data items separated by the tab character (i.e. a tab-separated text file).

2. The first row of data is a header with the data items *Employee Number*, *Last Name*, *Other Names*, *ID Number*, *Job Title*, *Admin Unit*, *Station*, *Pay Rate*, *PIN*, *NSSF Number* and *SHIF Number*.

3. From row two onwards, each row has data for a single employee, i.e. employee number, last name, other names, ID number, job title, administrative unit, station, pay rate, PIN, NSSF number and SHIF number.

Note that:

1. The first row (*file header*) is ignored. It is only included for the convenience of the person preparing the input file.

2. A row will not be imported if the employee number matches that of a record already in the personnel table.

3. A row will also be skipped if any of the following data items is blank: employee number, last name, other names, job title, administrative unit, station.

4. Data will be imported into several data tables—personnel, payroll master, payroll transactions, leave, jobs, administrative units and stations.

5. Where a default profile has been defined, it will be applied to each record added to the personnel table.

How to Import

1. Back up your data just in case you need to undo the changes you are about to make (Procedure > Backup).
2. Select Procedure > Import > Employees to open the first Import New Employees dialog box (figure A.1).

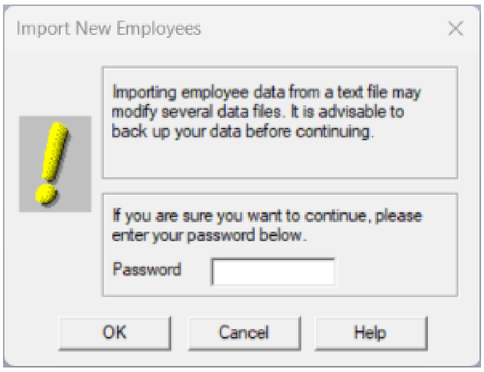

Figure A.1: First Import New Employees dialog box

3. Enter your password to open the second Import New Employees dialog box.
4. Browse to the text file that you want to import data from and click on Open.
5. Aren Register will read the text file and update the data tables listed above. On completion, a confirmation message box will be displayed. Close the message box.

To see which records were updated, refer to the log file *import.log* located in the payroll data folder. Browse through the data tables that should have been updated to confirm that they were updated successfully.

Appendix B Emailing Reports

Aren Register can email payslips and P9As to each of the employees in the payroll. This provides an alternative to printing individual payslips or P9As for each employee. The reports are sent as password-protected PDF files.

In this section, we explain how to email payslips. Emailing P9As works in exactly the same way.

Entering Email Addresses

Start by capturing the email addresses to send reports to.

1. Open the Payroll Master Table form (File > Payroll Master) and select the Other tab (figure B.1).

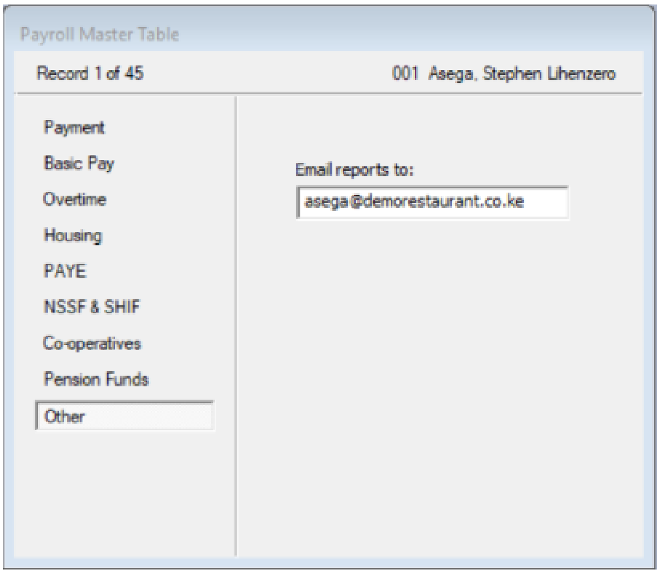

Figure B.1: Payroll Master Table form

2. For each employee, enter the address to email reports to.
3. Close the Payroll Master Table form.

Setting Up Email Account

In order to send email, you need to set up your email account. For this you require details of the outgoing mail server, also known as the SMTP server. Consult your IT department if necessary or check the settings in the email software you use.

1. Select System > Email Account to open the Email Account dialog box (figure B.2).

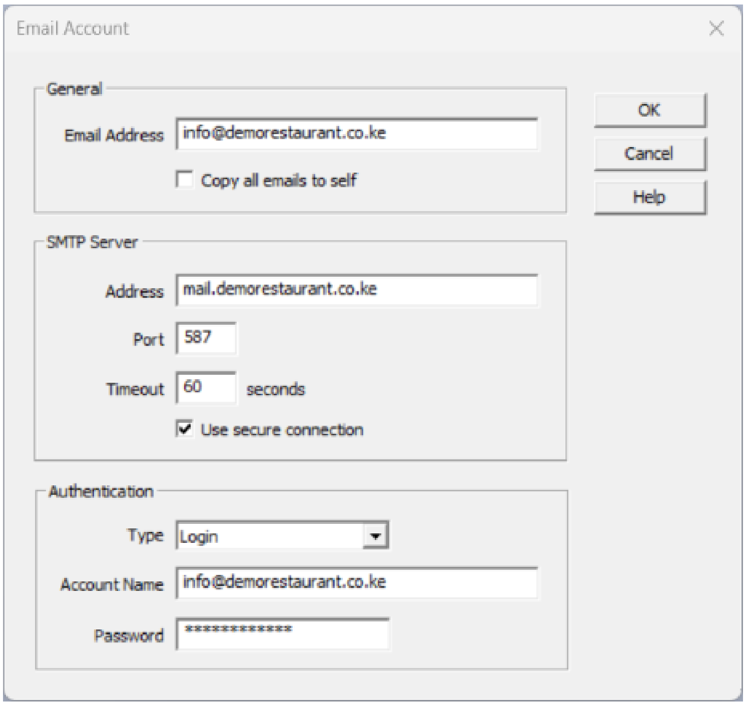

Figure B.2: Email Account dialog box

2. *Email Address:* Enter your email address, say *info@-demorestaurant.co.ke* or *example@gmail.com*.

3. *SMTP Server:* Enter the name of the outgoing mail server, e.g. *mail.demorestraurant.co.ke* or *smtp.gmail-.com*. You can also enter the server's IP address, e.g. 192.168.0.23.

4. *SMTP Port:* The SMTP port is a unique number that the mail server has set aside for outgoing mail. The most common values are 25, 465 and 587. If your server uses a secure (encrypted) connection, e.g. *smtp.gmail.com* or *smtp.mail.yahoo.com*, try port 465 or 587. If it does not, enter 25.

5. *Timeout:* This is length of time the software should wait for a response from the mail server before giving up.

6. *Use secure connection:* Check this option if the mail server uses a secure connection.

7. *Authentication:* You may select none (no account name or password required), plain or login (requires account name and password).
8. *Account Name and Password:* Enter the login name and password for the mail server if you have selected login or plain authentication.
9. *Copy all emails to self:* Check this option if you want to receive a copy of all the reports you send.
10. Close the Email Account dialog box.

Sending Payslips

Now you are ready to email payslips to employees.

1. Select Procedure > Email Payslips to open the Email Payslips dialog box (figure B.3).

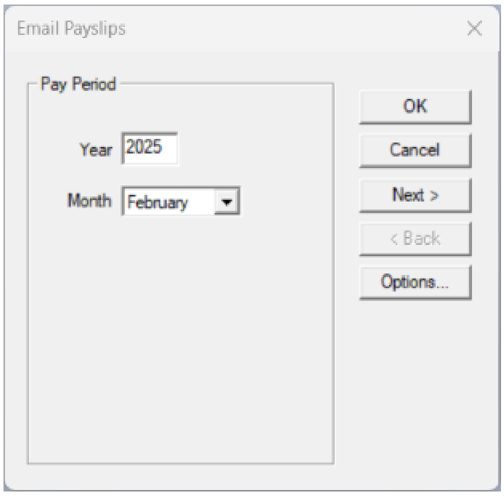

Figure B.3: Email Payslips dialog box

2. Choose the pay period that you want then click OK. This opens the Payslip Messages dialog box (figure B.4).
3. Click on Send to open the Message Range dialog box (figure B.5).
4. Use the Message Range dialog box to send the current message, all messages or a range of them. On completion, a message box showing the number of messages sent will be displayed.
5. Close the Payslip Messages dialog box when you are through.

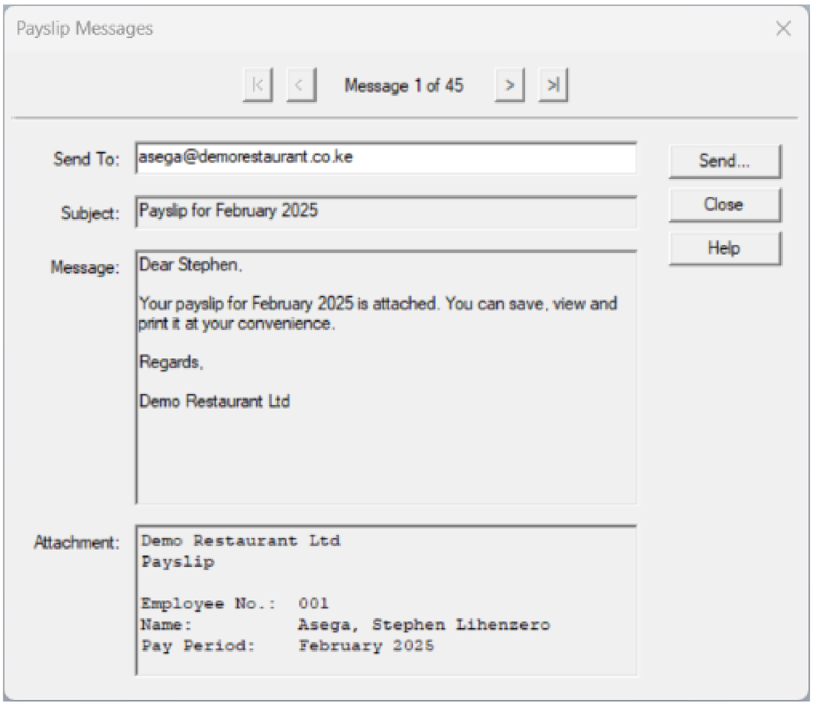

Figure B.4: Payslip Messages dialog box

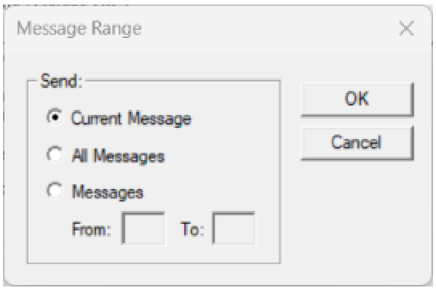

Figure B.5: Message Range dialog box

Details of the last mail session are saved in the log file *email.log* located in the payroll data folder. Refer to this file if you have any difficulty sending messages and to see which messages were actually sent.

How to Open Payslips

Once a payslip is sent, the recipient will need one of the following passwords to open it.

1. *Owner Password:* This password is set in the General Options dialog box (Organisation > Options > General). Use it to open any payslips you send out.
2. *User Password:* This is usually the last four digits of the

employee's PIN. Where the employee's PIN is missing, it defaults to the value set in the General Options dialog box. This is the password that employees should use.

You can modify the message that is sent to employees to include help on the password they will use to open the payslip.

1. Go to Procedure > Email Payslips to open the Email Payslips dialog box.
2. Click on Options to open the Electronic Payslip Options dialog box (figure B.6).

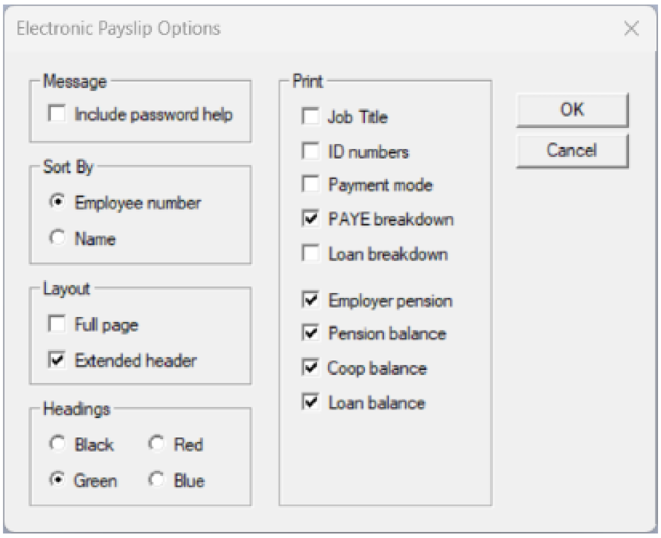

Figure B.6: Electronic Payslip Options dialog box

3. Check the option *Include password help*.
4. Close the Electronic Payslip Options dialog box.
5. Close the Email Payslips dialog box.